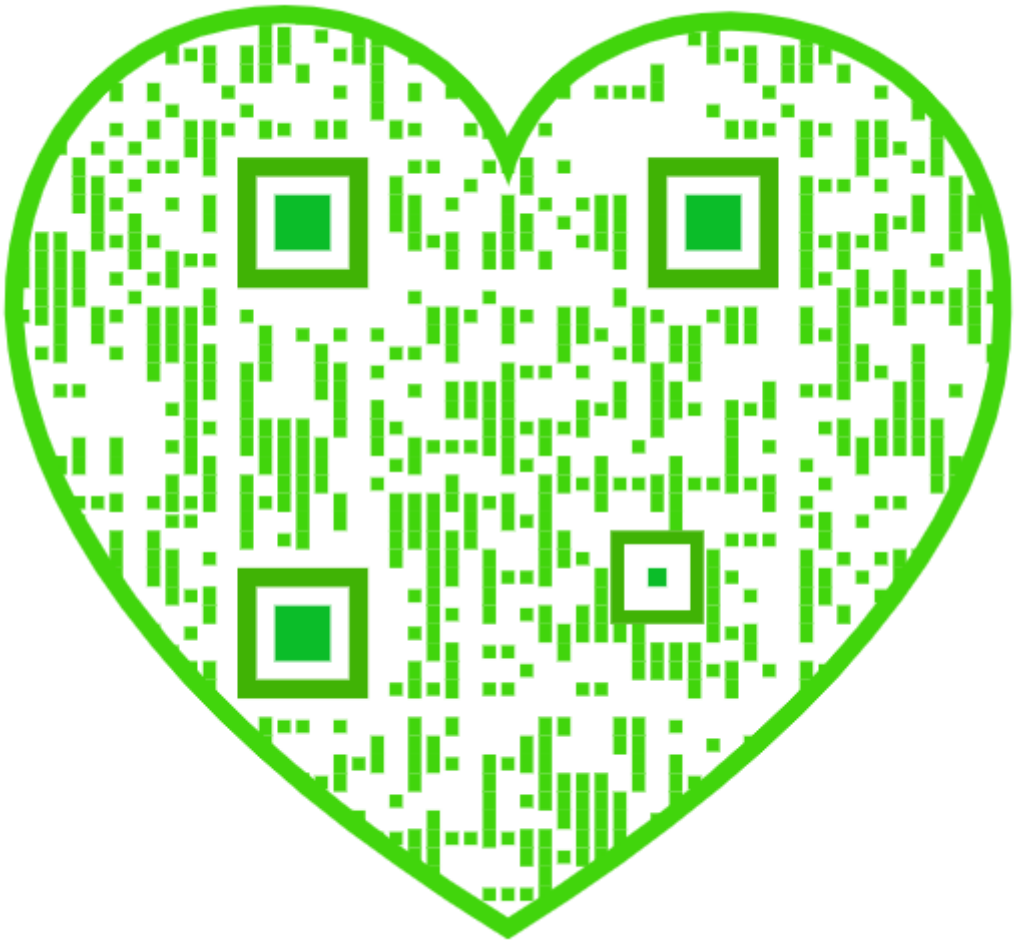
Title: The Tobacco world, v. 54

Place of Publication: Philadelphia, Pa.

Copyright Date: 1934

Master Negative Storage Number: MNS# PSt SNPaAg188.2



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# Volume 54
# 1934

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JANUARY 1, 1934

VOLUME 54 No. 1

# THE TOBACCO WORLD

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## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST.. PHILA., PA.

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# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

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# THE TOBACCO WORLD

Vol. 54 JANUARY 1, 1933 No. 1

*The TOBACCO WORLD has signed the President's agreement and is operating under NRA Code, gladly and wholeheartedly co-operating to the fullest extent in the Administration's effort to promote industrial recovery.*

▲

WITH THE ADVENT of the New Year, business generally, and the cigar and tobacco industry in particular, is beginning to lift its chin and throw out its chest, confident that the year 1934 is going to be a decided improvement over the past several years. All the important codes affecting the tobacco industry have had public hearings in Washington and steps toward their adoption are now progressing satisfactorily with every evidence of soon reaching a satisfactory conclusion, which will be of great benefit to the entire industry.

Those of us who have not had actual personal experience with the preparation and presentation of a Code of Fair Competition for an industry are prone to criticise those who have been delegated to do this important work, but if we could all sit in at the many conferences between the committees and the numerous departments of the National Recovery Administration in Washington, and listen to the many different sides of the problem to be met, all of which must be taken care of—cannot be entirely ignored—and very often must be settled by a compromise of some sort—we should begin to realize the stupendousness of the task accomplished.

DURING the latter part of 1933 much has been accomplished in the way of re-employment of those who have been without a job for many months, and in many cases for years, and with the extension of the "Blue Eagle" agreement for another four months we are assured that there is to be no let-down in the effort for better wages and better living conditions for all.

The financial situation is improving steadily and is in a much better condition than a year ago (although most of us didn't realize its extremely low estate at that time), and with the advent of the Deposit Insurance Law on January 1st, the small depositor will have every reason to replace his confidence in the banks of the country, and with this confidence replaced, nothing can stop the gradual improvement in business conditions.

AND so, we say, look forward to 1934 with every assurance that it is going to be a better year than 1933. Begin the New Year with your chin up, for, as our President so aptly puts it: We are headed in the right direction, and we are on our way. May this New Year be filled with those things which make life worth while: HEALTH, HAPPINESS, and PROSPERITY!

The Tobacco World
Wishes Everyone
A Happy, Healthy and Prosperous
New Year

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

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# Musings of a Cigar Store Indian

By Chief "Young-Man-Smoke-Cigars"

WILL ROGERS waited until long after he had reached man's estate before he underwent an experience that came to most of us as boys. He got sick from his first smoke. One of the episodes in the picture on which he is now working in Hollywood called for the wisecracking, lariat-throwing, homespun-philosophizing comedian to draw on a pipe. After a few moments, the action of the picture had to be summarily stopped. The news dispatches did not describe the symptoms, but went on to say that Will was given a dose of aromatic spirits. Now the actor is qualified to give us an impersonation of Huckleberry Finn, with his omnipresent corncob. But he might have saved himself that momentary indisposition if he had only taken a lesson or two from Mme. Chantal Quennville, whose oil paintings, embellished by wax, eggs and casein, have created a furore in Paris. She is an inveterate pipe smoker.

PAUL HARRISON touches on some of the interesting sidelights connected with the smoking of celebrities. J. P. Morgan, for example, will not touch any cigar other than his own special blend, made in Havana. Yet he's inclined to be a little offended if some equally discriminating smoker refuses one of the Morgan brand. George Arliss carries cigars which look exactly like the two-for-a-nickel stogies he smoked in less prosperous days. Yet the present ones are made to order and cost almost as much as Mr. Morgan's. Frank Vanderlip, the financier, gets cigars at ten cents apiece at any convenient store. But William Green, president of the American Federation of Labor, pays sixty cents each for his cigars, and puffs through a dozen a day.

ABOUT the only luxury in which the late Calvin Coolidge indulged, continues Paul, as quoted in the *Southern Tobacco Journal*, were eighty-cent cigars. Herbert Hoover still orders a fine blend at $60 the hundred. Frank Roosevelt smokes cigarettes. Al Smith smokes cigars. There still are tobacco connoisseurs, however, who sigh over vintage tobacco and love to discuss color and leaf and firmness. They believe that a cigar is not worth smoking until it has aged at least ten years, so they store their panetelas and perfectos in advance in some of the humidor vaults maintained by the big houses such as Park and Tilford, and Dunhill. Albert Wiggin and Eugene Myer, the bankers; Clarence Mackay, Adolf Zukor and Owen Davis are some of those who go in for vintage tobaccos. Douglas Fairbanks buys his long, blunt cigars in New York for $65 a hundred. Some smokers pay up to $96 a hundred. Park and Tilford occasionally make up an 18-inch size for $5 each. These are mostly for gifts, but a Chicago millionaire ordered a hundred of them for his yacht. John McCormack and Galli Curci like long, specially-made, filtered cigarettes.

WHAT is believed to be Henry Wadsworth Longfellow's pipe, dating back to 1825, was found when a partition was ripped from the wall of the house where the poet lived while a student at Bowdoin College. The pipe was filled with tobacco. And Girard, in the *Philadelphia Inquirer,* reports that there are in the United States only about 100 business concerns which have been in the same family for 100 years or more, about half of them being in Pennsylvania, or in the Philadelphia territory. One of these remarkable institutions is the Demuth tobacco house of Lancaster, which was born in 1770 and has never moved from its original building. Selling tobacco over the same counter as was done six years before the Declaration of Independence!

SEEMS as though that Oklahoman picked out as good a way as any of judging the trend of general conditions. His gauge is the rise and fall in the number of cigars he receives as Christmas gifts. He pointed out that four years ago he received thirteen boxes of cigars; three years ago, three boxes; two years ago, one box, and last year, two cigars. Up to the time of going to press we have received no report of this year's grist, but we have a hunch, judging from our own experience, that it was somewhere between the three boxes of 1930 and the thirteen boxes of 1929. It is a tribute to the fair trade ethics of the tobacco business that the only establishment in the trade from which the Blue Eagle was withdrawn turns out to be a restaurant, instead of a tobacco store, or at any rate, a restaurant department of a retail tobacconist. A waitress in the White Cigar Stores, Norfolk, Va., reported that she worked 68½ hours a week and received $7. On the second notice the employer appeared before the local board and stated he would close the restaurant and discharge the employees. His obligations and privileges were explained. He did close the cafeteria and discharge the employees. The local board reported the store as a "consistent offender; has done nothing reasonable since the beginning of the NRA movement."

OKLAHOMA crops up again in the tobacco news with a story that eighty-five-year-old Aunt Jane Headrick has just completed her third quilt made from tobacco sacks. She rips the sacks apart, dyes them various colors and assembles them in a variety of geometric designs. In making the three quilts she has used two thousand sacks. "Don't Smoke Old Rags! One might as well smoke old rags as try to get satisfaction or enjoyment from dry tobacco. Our tobaccos are always fresh. They're kept in a special Humidor." That is the copy on a bulletin mailed out by a Campbellton, New Brunswick, tobacconist.



### Bigger and Better Business

BIGGER Bayuk Business in 1934 was the keynote of the annual two-day convention held at the Ninth and Columbia Avenue headquarters and attended by the company's territorial and branch managers from all over the country. The convention came to an end with a festive banquet at the Hotel Adelphia, on December 28th.

H. S. Rothschild, president of Bayuk Cigars, Inc., made the address of welcome and outlined the plans and policies for the coming year.

A. Jos. Newman, vice-president in charge of sales, presided at the meetings of the convention and inspired the men with his enthusiasm to continue the "message-to-Garcia" spirit which has been largely responsible for the sensational rise of Phillies and other Bayuk products during the year just closed.

Harry Worman, vice-president in charge of manufacturing, gave an informative description of the various phases of the production methods in the world's largest cigar plant.

Neal D. Ivey, advertising counsellor, impressed the salesmen with his talk on the dovetailing of the company's advertising program with its sales activities.

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### Marc H. Mack Passes

MARC H. MACK, an original member of the firm of Hirschhorn, Mack & Co., manufacturers of Tom Moore, Little Tom and Henry George cigars, died on December 21 of pneumonia at his home, 111 East Fifty-sixth Street, New York City. He was eighty-seven years old. While he retired from active business in 1910, he retained an interest in the firm and in its successor, the General Cigar Co., formed in 1917, until the day of his death.

He maintained an active interest in various charities. He established Big Tree Farm for cardiac children in memory of his wife and turned it over to Montefiore Hospital. He was a former director of the Hebrew Infants' Asylum. Surviving are a daughter, Mrs. Mildred Mack Mayer, and two sisters, Mrs. Laura Newburgh and Mrs. Hannah Frank.

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### Passaic Plant for Santaella

A. Santaella & Co., manufacturers of the well-known Optimo cigar, are preparing to go into production in the new plant recently leased in Passaic, N. J. Operations in this new Northern plant will be in addition to the company's manufacturing activities in Tampa, Florida, where it has for many years been one of the most prominent factors in the industry.

It is expected that along with the Optimo brand, the other Santaella products will also be turned out in the Passaic factory. These include As You Like It, which is another member of the quality price group, and Alluro, which it is planned to develop in the five-cent shade-wrapped field.

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Tampa cigar manufacturers and workers have reached an agreement for a three-year abstinence from strikes and lockouts, all controversies to be settled by arbitration, and a wage scale to be agreed upon when the tobacco code becomes operative.

### Bayuk Introduces New "Prince Hamlet"

Conventional design in cigar boxes was discarded completely by Bayuk Cigars, Inc., in creating a package for its new Prince Hamlet Cigar. The color scheme of the box is black, gold, tobacco-brown and ivory. The effect is one of extreme richness and dignity—the purpose being to reflect the high quality of the cigar.

The box carries a certificate—signed by the Registrar of Tobaccos, Havana, Cuba—worded as follows: "I have personally examined the Havana Tobacco used in Prince Hamlet Cigars and hereby certify that this tobacco is of the highest quality—selected from the finest grades grown in Cuba."

Prince Hamlet Cigars are available in five popular shapes—priced at 10 cents, two for 25 cents, 15 cents straight and three for 50 cents.

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### Brown & Williamson Union Factories

The Brown & Williamson Tobacco Corporation has signed an agreement with the Tobacco Workers International Union whereby their factories located at Louisville, Kentucky; Petersburg, Virginia and Winston-Salem, North Carolina, effective as of this date, become union factories.

The union label will appear on their different products as soon as proper machinery can be installed to place this label on the package.

The Brown & Williamson Tobacco Corporation has given support to all of the regulations under the N. R. A. and, in conforming to the labor code, they decided they would not only meet in full measure the provisions of that code, but are glad to go a step further and welcome the organization of their employees in the ranks of organized labor.

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The Pennstate Cigar Corp., manufacturers of the Hilo and Envoy brands, are making preparations to launch their new five-cent brand, Stanwyck, early in January. The Hilo and Envoy brands were immediately accepted by the trade upon their introduction last year and the new Stanwyck brand has all the appearances of being accorded the same reception by retailers and consumers.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

DEFINITE signs of business revival have made their appearance throughout the world, but excessive trade restrictions, disorganized finances, debt burdens, fluctuating exchange and trade declines are retarding the expansion of business, it is declared by Secretary of Commerce Daniel C. Roper in his annual report. As a means of reaching an ultimate solution of the world's economic problem, the Secretary urges international consultations and concerted action to eliminate the policies hampering the revival of business.

"In the United States, signs of resistance to further contraction appeared in the first half of the fiscal year," he declared, in reviewing the domestic situation, "and by the final quarter the tide of deflation was definitely stemmed.

"Confidence was greatly strengthened as a result of the decisive governmental action, business activity quickened, and by the end of the fiscal year substantial progress had been made. Nevertheless, the descent from the 1929 level was so sharp and so long maintained that despite the constructive work of the President and Congress and the wholehearted support of the people, conditions at the close of the fiscal year remained far from satisfactory. The economic structure continued to be badly in need of support and repair."

ABROAD program of legislation, dealing not only with recovery and relief activities but also with more permanent subjects, is expected to be suggested to Congress by President Roosevelt in his annual message at the opening of the session. With the monetary situation of outstanding importance, a considerable portion of the President's message will be devoted to the questions of gold and silver, agricultural adjustment, re-employment and the move for trade expansion. Banking and currency also will be discussed, in the light of the revelations by the Senate committee which investigated Wall Street.

The failure of the Administration's gold-buying program to raise prices in this country and the continued agitation for inflation are expected to be met by the President with a program which will avoid the dangers of the latter and give assurance that the measures already adopted will not react unfavorably upon the country. Failure of the banks to make increased loans to industry for recovery purposes may be met by a demand that they either "loosen up" or face the competition of Federal loans, either through some existing agency or by the establishment of a "superbank."

READJUSTMENT of industrial codes in which labor provisions and general regulations increase prices unduly will be demanded shortly by General Hugh S. Johnson, Recovery Administrator. Explaining that codes originally adopted were developed without any past experience to draw upon, General Johnson believes that the time has come to check up on results and make readjustments where it is found that the effect of agreements has been to run prices too high.

In all probability, no definite move will be made until after the hearings on price changes now scheduled to be held January 9. These hearings were ordered following receipt of complaints that in some instances prices had been increasd to greater extent than justified by the additional cost of production under codes.

In initiating his program for readjustments, General Johnson will order a check of all codes already in operation. One or two of the codes, he declared, will have to be scrapped completely and more or less drastic changes will be required in a number of others which have been in operation long enough for the Government to determine that they have had an exaggerated effect upon prices.

GRAVE possibilities that politics may be injected into the administration of recovery codes are seen by industrial leaders in intimations from recovery administration officials that the political affiliations of nominees for membership on code authorities or subordinate committees and boards will be studied along with their business and personal standing.

While these positions carry no salary, there is more or less honor connected with service on such organizations and in some industries appointments have been eagerly sought.

Two codes alone—for the oil and motion picture industries—have necessitated nearly 1000 appointments in the setting up of the machinery for administration.



# Cigars and Cigarettes Decline in November

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for November, 1933, are subject to revision until published in the annual report):

| *Products* | —*November*— *1933* | *1932* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 334,280,095 | 320,027,450 |
| Class B .....No. | 4,153,373 | 4,017,630 |
| Class C .....No. | 69,487,250 | 87,190,924 |
| Class D .....No. | 6,188,011 | 6,849,236 |
| Class E .....No. | 1,238,594 | 1,088,188 |
| Total ..... | 415,347,323 | 419,173,428 |
| Cigars (small) .....No. | 16,587,200 | 21,550,413 |
| Cigarettes (large) ..No. | 371,150 | 304,992 |
| Cigaretes (small) ...No. | 6,835,038,693 | 7,613,941,573 |
| Snuff, mfd. .....Lbs. | 2,612,169 | 2,850,789 |
| Tobacco, mfd. .....Lbs. | 22,794,824 | 25,148,846 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*November*— *1933* | *1932* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 5,330,050 | 6,874,860 |
| Class B .....No. | 426,200 | 10,500 |
| Class C .....No. | 137,400 | 240,000 |
| Class D .....No. | 500 | ..... |
| Total ..... | 5,894,150 | 7,125,360 |
| Cigars (small) .....No. | 300,000 | 500,000 |
| Cigarettes (large) ...No. | 70,000 | 60,000 |
| Cigarettes (small) ..No. | 200,000 | 168,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*November*— *1933* | *1932* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 23,240,020 | 13,122,685 |
| Class B .....No. | 17,707 | 72,997 |
| Class C .....No. | 47,890 | 48,490 |
| Class D .....No. | 700 | 750 |
| Class E .....No. | 130 | 886 |
| Total ..... | 23,306,447 | 13,245,808 |
| Cigarettes (large) ...No. | ..... | 8,950 |
| Cigaretes (small) ...No. | 137,720 | 143,940 |
| Tobacco, mfd. .....Lbs. | ..... | 22 |

### Internal Revenue Collections for November

| *Sources of Revenue.* | *1933* | *1932* |
|---|---|---|
| Cigars ..... | $1,170,125.29 | $1,218,332.08 |
| Cigarettes ..... | 20,508,263.32 | 22,844,746.92 |
| Snuff ..... | 470,190.48 | 513,142.09 |
| Tobacco, chewing and smoking ..... | 4,103,196.84 | 4,527,025.35 |
| Cigarette papers and tubes ..... | 61,648.37 | 82,985.69 |
| Miscellaneous, relating to tobacco ..... | 185.60 | 402.99 |

### Total Withdrawals for Previous Novembers

| | | | |
|---|---|---|---|
| 1920 | 668,060,015 | 1926 | 654,975,106 |
| 1921 | 615,251,258 | 1927 | 654,164,577 |
| 1922 | 679,300,302 | 1928 | 630,530,692 |
| 1923 | 650,687,413 | 1929 | 622,938,344 |
| 1924 | 601,412,539 | 1930 | 528,127,899 |
| 1925 | 598,478,129 | 1931 | 477,458,157 |

### Processing Tax Returns

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public—No. 10—73d Congress), approved May 12, 1933:

| *Commodity* | *Month of November, 1933* | *Total from July 1, 1933 (Fiscal Year 1934)* |
|---|---|---|
| Tobacco, (tax effective October 1, 1933) | | |
| Processing taxes .... | $200,970.53 | $200,970.53 |
| Import compensating taxes ..... | 15,756.06 | 29,342.60 |
| Floor tax, other than retail dealers ..... | 961,105.88 | 1,647,407.33 |
| Floor tax, retail dealers ..... | 103,469.07 | 106,037.72 |
| Total tobacco ....$1,281,301.54 | | $1,983,758.18 |

### Flue-Cured Tobacco Return to Be Two and a Half Times That of 1932

FLUE-CURED tobacco growers will receive for their 1933 crop now being marketed more than two and a half times what the 1932 crop brought and about twice what they received from the 1931 crop, according to J. B. Hutson, chief of the tobacco section of the Agricultural Adjustment Administration.

The 1933 crop is expected to bring growers in North Carolina, South Carolina, Virginia, Georgia, and Florida, about 110 million dollars. This is exclusive of approximately 21 million dollars in benefit and rental payments to be made by the Agricultural Adjustment Administration to growers who sign agreements to reduce production in 1934. In 1932 the flue-cured crop sold for 43 million dollars and in 1931 it brought 56 million.

The price improvement this year, Mr. Hutson stated, was brought about in spite of the fact that the crop exceeding 700 million pounds is almost twice the size of the 1932 crop. It was made possible through the support that growers gave the Administration's prgram to bring 1934 production more in line with requirements. As a result of growers pledging themselves to sign formal reduction agreements during the market holiday between September 1st to September 25th, a marketing agreement with the big domestic buyers of flue-cured tobacco was made possible. This marketing agreement, backed by the prospect of reduced production in 1934, lifted the general level of flue-cured tobacco prices in spite of a crop which will add about 100 million pounds to the world's flue-cured tobacco surplus.

*(Continued on page 15)*

# Eleven Months Withdrawals for Consumption

| | *First 11 Mos. Cal. Yr. 1933* | | *—Decrease +Increase Quantity* |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| United States .. | 3,468,781,245 | + | 168,176,175 |
| Puerto Rico ... | 52,265,545 | — | 13,887,965 |
| Philippine Is. .. | 170,369,690 | + | 7,386,230 |
| Total ..... | 3,691,416,480 | + | 161,674,440 |
| Class B— | | | |
| United States .. | 26,616,289 | — | 21,511,415 |
| Puerto Rico ... | 3,029,250 | + | 2,853,250 |
| Philippine Is. .. | 184,107 | — | 466,162 |
| Total ..... | 29,829,646 | — | 19,124,327 |
| Class C— | | | |
| United States .. | 525,880,504 | — | 257,584,466 |
| Puerto Rico ... | 697,780 | — | 2,110,020 |
| Philippine Is. .. | 223,956 | — | 55,356 |
| Total ..... | 526,802,240 | — | 259,749,842 |
| Class D— | | | |
| United States .. | 41,959,541 | — | 10,278,489 |
| Puerto Rico ... | 1,000 | — | 1,700 |
| Philippine Is. .. | 2,076 | — | 1,800 |
| Total ..... | 41,962,617 | — | 10,281,989 |
| Class E— | | | |
| United States .. | 4,824,514 | + | 505,220 |
| Puerto Rico ... | ..... | | ..... |
| Philippine Is. .. | 2,752 | — | 35,035 |
| Total ..... | 4,827,266 | + | 470,185 |
| Total All Classes— | | | |
| United States .. | 4,068,062,093 | — | 120,692,975 |
| Puerto Rico ... | 55,993,575 | — | 13,146,435 |
| Philippine Is. .. | 170,782,581 | + | 6,827,877 |
| Grand Total .. | 4,294,838,249 | — | 127,011,533 |
| Little Cigars: | | | |
| United States .. | 196,187,453 | — | 69,967,841 |
| Puerto Rico ... | 3,274,000 | — | 976,000 |
| Philippine Is. .. | ..... | | ..... |
| Total ..... | 199,461,453 | — | 70,943,841 |
| Cigarettes: | | | |
| United States .. | 103,963,817,426 | + | 7,697,045,727 |
| Puerto Rico ... | 3,275,600 | — | 507,100 |
| Philippine Is. .. | 1,362,230 | + | 107,103 |
| Total ..... | 103,968,455,256 | + | 7,696,645,730 |
| Large Cigarettes: | | | |
| United States .. | 2,567,485 | — | 729,567 |
| Puerto Rico ... | 775,000 | + | 262,000 |
| Philippine Is. .. | 7,937 | — | 2,013 |
| Total ..... | 3,350,422 | — | 469,580 |
| Snuff (lbs.)— | | | |
| All U. S..... | 33,932,511 | + | 681,198 |
| Tobacco Mfd. (lbs.)— | | | |
| United States .. | 285,610,041 | — | 5,707,918 |
| Philippine Is. .. | 169 | — | 348 |
| Total ..... | 285,610,210 | — | 5,708,266 |

# Cigar Container Code Authority Elected

AT the meeting of the Cigar Container Industry held under the auspices of the National Cigar Box Manufacturers Association at the Benjamin Franklin Hotel, Philadelphia, on Saturday, December 16th, for the purpose of electing the Cigar Container Code Authority the following were selected:

Rodgers Neely, president, A. H. Balliet Corp., Allentown, Pa., chairman; Harry W. Buckley, president, Autokraft Box Corp., Lima, O.; Charles Fisher, J. Henry Fisher Sons, Baltimore, Md.; David Gross, Leiman-Weidman Box Co., Tampa, Fla.; B. S. Sentz, Consumers Cigar Box Company, Red Lion, Pa.; E. B. Shultz, National Recovery Administration, Washington, D. C.; George H. Snyder, George H. Snyder, Inc., Philadelphia. Pa.; Harry F. Ungar, Alexander Ungar, Inc., New Brunswick, N. J.

E. B. Shultz, member of the Code Authority representing the National Recovery Administration, attended the election and participated in the organization of the Code Authority.

Frank H. Warner, of Philadelphia, Pa., was retained as counsel, and Hobart B. Hankins, of Merchantville, N. J., was elected executive secretary.

The executive offices of the Code Authority are located at 236 Chestnut Street, Philadelphia, Pa., where information concerning the Cigar Container Code may be obtained.

The Code Practice Committee, which set up the Code, was complimented for the efficient manner in which it had completed its work.

It is interesting to note the progressive manner in which the Code Practice Committee brought its activities to a conclusion. Work on the Code, under the direction of Mr. Neely, the Chairman of the Code Practice Committee, was begun in early June. The Code was submitted for analysis and criticism in late July. The Code was filed for a hearing on August 11th and received Code No. 303. It came to a hearing on October 19th and was registered as hearing No. 188. It was signed by President Roosevelt on November 27th as approved Code No. 135, and became operative December 11th.

Its Code Authority was elected and organized on December 16th and is among the first ninety Code Authorities organized to date.



# Stop Price-Cutting!

**By WILLIAM A. HOLLINGSWORTH**

**President, Retail Tobacco Dealers of America, Inc.**

FOR THE PAST few years the retail tobacconists of the whole United States have been subjected to the meanest form of predatory competition. They have been compelled to stock and turn over large quantities of tobacco products at an absolute loss. The Retail Tobacco Dealers' and the Tobacco Distributors' Codes of fair competition were the first codes of the tobacco industry.

The Retailers' Code was drafted at the Retail Tobacco Dealers' convention, held in New York City on the 17th and 18th of last June. It was drafted by representatives of every type, class and kind of retail tobacconists in the United States from every part of the United States.

Interdivisional differences and requirements of the retail tobacco business were all reconciled in this Code —large chain interest, small individual storekeepers, price-cutters, regulars, and the proponents of higher prices—all subscribed to the Code, and it has stood every test that time and delay could develop. In drafting their Code, the retailers were constantly mindful of the consumer's welfare, also that of the farmer, manufacturer, laborer, wholesaler.

In this Code the retail tobacco dealers are seeking protection against the price-cutter who so ruthlessly attacks their business as to remove almost every chance of earning a living from it. The greater part of this predatory competition comes from businesses alien to the retail tobacco business.

Retail tobacco dealers amongst themselves can agree and with little difficulty maintain fair trade practices. Their principal complaint is the invasion of the ruthless price-cutting methods of retailers in alien fields of merchandise. These cast their net over the entire retail tobacco business. The chain grocery store, department stores, clothing stores and supermarkets are the offenders who make loss-leaders of cigars and tobacco products—seldom the retail tobacconists. The retail tobacconists must have protection from this external predatory competition, or they will be squeezed entirely out of the tobacco business.

### Wages and Hours

The retail tobacco dealers ask parity of hours with the druggists who have been allowed, by Code, to employ their labor fifty-six hours per week, for stores open seven days a week, for not less than eighty-four hours per week.

I. Drug stores are the principal competition of the tobacconists in the sale of tobacco products. According to the retail distribution census of 1930, it is seen that 30 per cent. of all tobacco products sold in the United States is sold in drug stores as against 42 per cent. sold in tobacco stores.

II. To restrict the tobacco store employees to forty-eight hours as against the drug stores fifty-six hours for seven-day stores will discriminate against the tobacco stores to the extent of 16 2/3% on labor charges.

III. It will also be seen this discrimination of labor costs of distribution will cause a greater shifting of tobacco sales to drug stores, as many tobacco stores, finding it impossible to meet the differential of labor costs, will confine their store hours to six days a week and a considerable additional volume of tobacco sales will find its way into drug stores.

IV. If tobacco stores are influenced to restrict store hours to sixty-six hours instead of encouraged to remain open eighty-four hours, the minimum loss of re-employment will be ten hours a week for each store engaging help.

V. There is nothing to be gained by differentiating in labor hours between tobacco shops and other stores competing for tobacco business, and only operates to favor stores, restaurants, or hotels which are permitted longer hours for their employees, and thus works an unavoidable hardship upon the retail tobacconists who employ help.

The proponents of this Code have given consideration to every phase of retailing tobacco products, including working hours of the employees. The Code is designed to comply with NRA, and to promote fairness in competition and to create advantage for no one. We feel confident the drug stores concede this, and will endorse the retail tobacconists' plea for parity of hours. The drug stores and the tobacco stores are entitled to the hours schedule, as set up in the Code, as it has been the custom for years to keep these stores open longer hours per week than any other class of retail outlet, excepting possibly restaurants.

To encourage the retail tobacconists who elect to do so to operate under Labor Schedule D, allowing tobacco stores which remain open seven days a week, for longer than eighty-four hours per week, to employ their help fifty-six hours, will develop re-employment. Not to do so would curtail possible re-employment in the retail tobacco business and impose an unfair hardship upon the retail tobacconist.

### Merchandising Provisions

The consumer's interest is protected by the Retail Tobacconist Code. Consider, the retailers have agreed in their Code to pay as much as 4 cents for a cigar, which will be advertised or listed to retail at 5 cents each; this is what is meant by a mark-up of 25 per cent. or a gross margin of 20 per cent. on a sale. Could any one consider this plan of merchandising as profiteering or as having the possibilities of developing monopoly or designed to hold the consumer up for an exorbitant profit? As an additional guarantee to the consumer against possible profiteering or overcharging, the retailers have fixed as a top a maximum margin of 28 per cent.

Add to the wholesale cost of 4 cents per cigar, which retails at 5 cents, any selling expense in the way of pay to clerks, rent, light, heat, matches, etc., etc., and then calculate, if you can, the retailers' net profit. It is infinitesimal.

In accepting this minimum of 20 per cent. gross profit, the closest margin any retailers have ever agreed to, or the highest price ever paid for a 5-cent cigar, the retailers protect the consumers against either paying 6 cents for the present 5-cent cigar, or cheapening the quality of the present good 5-cent cigar.

To cheapen the quality or raise the price of the cigar will affect the farmer; either change will certainly curtail consumer consumption of cigars, thus lessening the market for the farmer's tobacco. Cheapening the quality curtails consumer desire, also calls for lower material costs, and an odd price of 6 cents would surely create sales resistance and reduce consumer demand.

That a 6-cent price for the present 5-cent cigar would cause a setback in consumption is definitely established in every retailer's mind. Retailers who have applied themselves to the retail tobacco business for years know this. There is no argument which could upset the retailers' opinion on this point. To raise the present 5-cent cigar to 6 cents would ruin the existing market for real 5-cent cigars, and the cigar industry would suffer a serious decline in volume.

Eighty-five per cent. of the cigar consumption today is in Class A or 5-cent cigars. This is why such high quality exists in this class of cigar. Each manufacturer is vying with the other to produce the best 5-cent cigar obtainable. It's getting so the country no longer needs "A good 5-cent cigar." Rather, the 5-cent cigar now needs a good country. This is no pun; it is the absolute truth. This fine 5-cent cigar and the consumer will both profit by maintaining an honest retail market.

The retailers, as you can see, have given consideration to the welfare of the consumers' interest, and the farmers likewise. This isn't all: labor and the manufacturers also were considered. The previous wholesale price for good 5-cent cigars was 3.2 cents, or top price, 3.5 cents. The accepted increase in the wholesale price of cigars from 25 per cent. to 14 per cent. allows the manufacturers a latitude to take up some additional labor and processing charges.

These prices, of course, are not the manufacturers' prices, but the wholesalers' prices to the retailers, and are intended only to show the sacrifices the retailers are making to secure the consumer, the farmer, labor and the manufacturer the utmost in service and quality for the least amount of money.

Matches are mentioned in the selling expense charges. The giving of matches with tobacco purchases is a custom which cannot be abolished without antagonism on the part of the consumer. The lowest cost of the cheapest advertising matches today is $5 per 2500 packs, or one-fifth of a cent a package. This price is for matches carrying an outside advertisement, such as chewing gum, tooth paste, etc. This means these advertisers pay part of the match cost in order that the retailer may procure the matches for $5 a case. The cost without an outside ad is considerably higher. There is a heavy tax on matches today.

During the hearing of the Cigar Manufacturers' Code, the question was asked why the odd price or penny price did not affect the sale of cigarettes. A proper answer to this question would have been that the odd penny price did definitely affect the sale of the cigarette.

First, consider that the present odd penny package prices of popular brand cigarettes, often referred to as the "Big 4," were for years after the war either advertised at 15 cents or considered as 15-cent sellers. Price-cutting became the vogue, and the retail price dropped to 14 cents, the consumer looked upon the penny as a saving. This certainly *would not* develop sales resistance; the retail price dropped still further to 13 cents, two for 25 cents. Again the consumer looked upon the change due to the cut price as a saving.

Then, quite by accident rather than by design, in 1928 the 10-cent cigarette really came into the field. It was put on the market to liquidate a frozen asset. A large quantity of tobacco, representing an inventory of some two millions of dollars, could not be moved in the then ordinary tobacco market, so it was decided to put it into cigarettes to sell at 10 cents a package of twenty. The idea quickly caught on and proved a winner. The inventory was liquidated in short order. Other cheap tobaccos were obtainable, the idea began to grow, and before the "Big 4" realized what had happened, the 10-cent cigarette had acquired approximately 26 per cent. of the cigarette consumption of this country, and the manufacturers making them had gained so significant a position in the cigarette field they were recognized as the "Little 4." Panic reigned.

The "Little 4" could make a scant profit as they had little overhead and no advertising; their product sold solely on price. How to beat this competition became the complete concern of the "Big 4."

The best way to meet the competition was to increase the penny saving to the consumer, give him 3 cents to 4 cents change from his normal 15-cent purchase and then, when this was tried, and not successful, a final reduction in the retail price to 10 cents took place. At a 10-cent price, of course, the "Big 4" mopped up the competition; because they advertised, their brands continued to be recognized as reduced 15-cent sellers. The price war wound up with the "Big 4" brands, which cost 11 cents a package wholesale, being sold at 10½ a package retail.

Who lost in this battle of giants? *The Poor Little Retailer* and perhaps the farmer. The retailer's scars are deep. No wonder they live in constant fear of again being used as a shield of protection against the serious, permanent, menace, imperiling the position of the "Big 4," the 10-cent cigarette.

How the poor little retailer was and may be used in this manner can best be determined by the examination of the Federal Trade Commission's report on the tobacco industry for the year 1929-1930. This report was signed by Mr. Charles E. March, chairman of the Federal Trade Commission. After reading the report, you may draw your own conclusions. Reference is made to this report in the brief submitted by the proponents of this Code. It being a public record, I assume it may be considered a part of this record without specifically reading or offering a copy thereof in evidence.

The tobacco products most generally used as loss-leaders are the popular brands of 15-cent cigarettes—those commonly known as the "Big 4"; the wholesale price list of these cigarettes to the retailer is 11 cents a package. The wholesalers or jobbers who distribute these cigarettes to the retailers are allowed a factory discount of 10 per cent and 2 per cent. For several years last past this has been the regular discount of the manufacturers to the wholesalers or jobbers.

Because of the cut-throat competition which exists in the retail cigarette business, the jobbers have not been able to keep the 10 per cent. and 2 per cent. allowed them from the retailers' wholesale price. The jobbers are practically compelled to pass their entire wholesale discount on to the retailers in order that the retailers' gross loss on cigarette sales may be lessened. Loss leaders and special allowances enforce this condition upon both the wholesalers and the retailers.

In these days of loss-leaders and cut-throat competition, the wholesalers supply the retailers with the

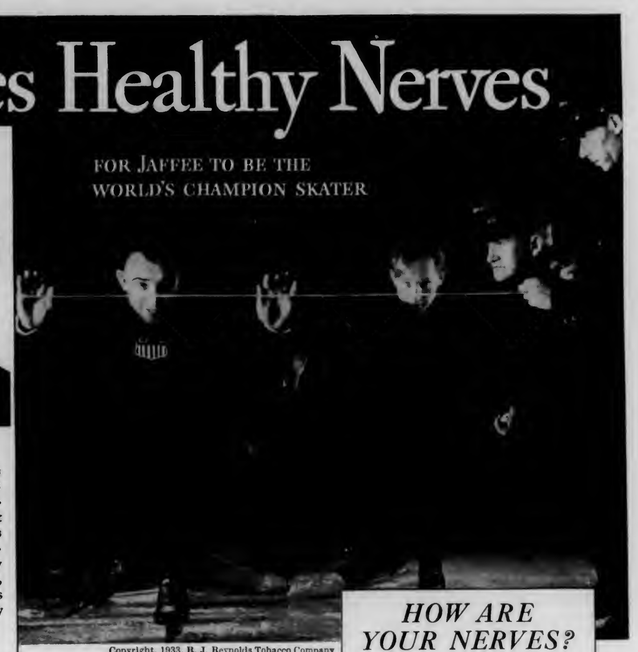



# It takes Healthy Nerves

FOR JAFFEE TO BE THE WORLD'S CHAMPION SKATER

**IRVING JAFFEE**

**Winner of 1,000 medals and trophies, including 3 Olympic Skating Championships, Jaffee has brought the highest skating honors to the U. S. A. Asked recently if he was a steady smoker, Jaffee said, "Yes, but that goes for Camels only. I have to keep my wind, you know, and healthy nerves."**



Copyright, 1933, R. J. Reynolds Tobacco Company

## *Steady Smokers turn to Camels*

You've often seen his name and picture in the papers—Jaffee, the city-bred boy from the U. S. A. who beat the best Olympic skaters that Europe had to offer, and became the skating champion of the world! Speaking of speed skating and cigarettes, Jaffee says: "It takes healthy nerves and plenty of wind to be an Olympic skating champion. I find that Camels, because of their costlier tobaccos, are mild and likable in taste. And, what is even more important to a champion athlete, they never upset the nerves."

Change to Camels and note the difference in your nerves... in the pleasure you get from smoking! Camels are milder... have a better taste. They never upset your nerves. Begin today!

**IT IS MORE FUN TO KNOW**

**Camels are made from finer, MORE EXPENSIVE tobaccos than any other popular brand.**

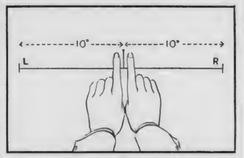
**CAMEL'S COSTLIER TOBACCOS**

*NEVER GET ON YOUR NERVES*

*NEVER TIRE YOUR TASTE*

## *HOW ARE YOUR NERVES?*

TRY THIS TEST




Draw a line 20 inches long on the edge of a newspaper. Stick a straight pin in the exact center. Place a forefinger on either side of the pin. Close your eyes ... try to measure off quickly the distances by moving both hands at the same time. Have a watcher stop you when you reach the edge. See if both your fingers have moved the same distance. Most people try this at least six times before both hands come out evenly.

*Frank Crilley (Camel smoker), famous deep-sea diver, completed the test on his second try.*

"Big 4" brands of cigarettes at 11 cents a package, less 10 per cent. and 1 per cent. or 9.8 cents the package. On these sales of cigarettes to the retailers the wholesalers make a gross margin of 1 per cent. on their turnover. This price is delivered on credit.

The retailer tobacconists cannot continue to meet the many types of predatory competition confronting them today. The loss-leader competition is the meanest and most deadly of them all. Stores such as grocery or department stores which depend upon other lines of merchandise for profit and which, because of their protection against loss by confidential or special allowances, use cigarettes and other tobacco products as a come-on, or bait, to lure traffic to them, have sent thousands of retail tobacconists to the wall, and have destroyed the good-will value of many a once-popular brand of tobacco products.

When a retailer commences to slip financially for lack of profits on popular-branded merchandise—his only recourse is substitution—this he does the best he can, but his opportunities are indeed scant.

The only way a retailer can exist is by making his selling expense and a sufficient net profit to live. Nothing from nothing leaves nothing. Something subtracted from nothing leaves a minus quantity, and a minus quantity is less than nothing. A constant, less than nothing income calls for a progressive dissipation of capital, and eventually insolvency. To save themselves from entire loss on their turn-over, the retailers tried to gain a compensating margin on other tobacco products, but unfortunately, this does not go with the tobacco business, as you see, because practically all selling tobacco products are trade-marked articles.

The earnings of the little individual tobacco stores should be considered as wages for their owners, and as the N. R. A. provides a minimum wage for labor, and as the A. A. A. endeavors to protect the farmer even against foreclosure upon his farm, so should you approve protection for the small capital and wages of the individual storekeeper.

Unless he is protected from the loss-leader practice, the indiscriminating price-cutting, and the subtle schemes and inventions of the great manufacturers who would war among themselves at his expense—he is hopelessly lost.

Long experience and every test has proved the operating expense of cigar stores to be in excess of 20 per cent. Even the most efficient storekeepers report an operating expense in excess of 20 per cent. This claim will be supported by a report on operating costs of cigar stores which the proponents of this Code have gathered from all parts of the country and from every type of tobacco store.

The census figures for operating cigar stores or stands range from 27 per cent. to 42 per cent. Private reports show figures which indicate a slightly lower operating expense. The tobacconists have been guided by these reports and figures in accepting the least possible minimum mark-up upon which they may hope to exist.

When these reports are studied, it will be found the mark-up asked in the Retailers' Code secures no profit to the retailer, but merely gives an opportunity to earn a fair minimum wage, if he works hard, and properly applies his efforts to his business.

### Price-Cutters

There is a well-organized group of so-called price-cutters which may endeavor to sabotage our system or any system of price regulation. Their principle motive is to further or protect their own selfish interests. In this group is a well known department store in New York City. This store claims the practice of underselling all competitors on popular branded articles. *Recently, this store sold cigarettes as low as the cost of the revenue stamp or six cents a package.* No matter how low the price is slashed, this concern always sells the oustanding leaders for less. Upon proper investigation, it will be found this policy of selling for less, is the old loss-leader practice.

During the hearing given the General Retail Code last August, Major Benjamin H. Namm read into the record an advertisement which this concern caused to be published on August 14, 1930. It read in part as follows: "We have sold cigarettes as low as 74 cents a carton"—"We have sold $10 smokadors for $2.24" —"Don't delude yourself that we made money on these items. If you were a customer, you bought this merchandise at less than cost." In commenting upon this advertisement, Major Namm stated: "These general underselling claims are never true. They always create a false impression in the mind of the consumer."

This concern also advertises that efficient operation makes possible its low-cut prices. What kind of efficiency is it which permits selling article for 6 cents retail, which costs 11 cents wholesale, and when the revenue stamp alone costs 6 cents, the exact price for which the article sold. This is possible only when the popular well-known article is sold as a bait for the purchase of other articles on which a substantial profit is made.

This group of apparent price-cutters is always boasting of their interest in the consumer. "Customer protection" is almost a slogan with them. Ask them if they will accept a maximum retail mark-up of 28 per cent. on all merchandise sold in their stores, such as the retail tobacconists have embodied in their Code, and see the twist their efficiency will take. You will then find them trying to substantiate the claim that their most honorable and efficient operating overhead is 26 per cent. to 35 per cent., and that such a low maximum guaranty to the consumer would drive them out of business. Just try this, and see how quickly such professions of consumer protection will vanish.

The practice of using standard, advertised, identified products as bargain bait, inevitably means excessive prices and profit on other goods which are not identified, and cannot be compared. Such "bargain" prices go hand in hand with buccaneer prices. The price-cutter is usually the real profiteer. Every penny given as a saving on standard, advertised goods is usually matched by two pennies in undue prices on unnamed or unbranded goods.

The clever profiteer operates in a subtle fashion. Everyone knows there is no chance to beat the shell game artist, yet the police must keep him on the move or he would ruin every legitimate business near his stand. Let the suckers win 10 per cent. of the time, they lose 90 per cent. This is the system practiced by the business pirates, 10 per cent. of sales at bargain prices, even though an actual loss may be entailed, then undue profits on 90 per cent. on the balance of the sales.

Any reasonable person must admit that such a false-pretense system of concealed profits will suffer a blight when the fair and square retailer is given a chance to show that he makes only a fair profit on all



the goods he sells. Any reasonable person must see that a fair price on all goods will mean lower prices to consumers when total purchases are considered. This is why the notorious price-cutters so conscientiously support the idea of the consumer enjoying loss-leaders.

### Small Manufacturer

The small manufacturer will continue to pass out of the industry unless the merchandising provisions in the retail tobacco dealers' code are maintained.

The small manufacturers cannot compete with the present day cut-throat scheme of merchandising. No small manufacturers can hope to sell their regular priced products in competition with the popular-advertised brands of large manufacturers, when these popular brands are sold as loss-leaders, i. e., the small manufacturers' 10-cent cigar, will not sell when the popular two for 25 cents cigars are generally cut to 10 cents.

To illustrate, the small manufacturer may offer his regular 10-cent cigar to the retailer at as high a price as 8 cents apiece, and it may be excellent value for the price, but certainly no one could expect it to compete with an advertised brand for which the retail dealer paid 9½ cents apiece. When the two for 25 cents cigars are reduced to 10 cents, the small manufacturers' regular 10-cent cigars are cast aside and will not sell. As long as this type of competition exists, no salesmanship or merchandise ingenuity can equalize the difference. No competing product can hope to live against the loss leader. This illustration was made of the 10-cent cigar and the two for 25 cents cigars; it may be applied with equal success to cigars in any other price range, also to tobacco and cigarettes.

The elimination of indiscriminate price-cutting, and the loss-leader practice is the only action which will save the small manufacturer as well as the retailer.

The tobacco industry, suffers more from the loss-leader practice than any other industry, because tobacco products are always sold under brand names, in packages easy to handle, and no large investment is required to stock a few of the leaders and offer them at cut-prices. Popular brands of tobacco products are today being used by every imaginable kind of retail outlet to pull patronage. Within the past few weeks, a large chain of circulating libraries adopted cigarettes as a loss-leader. The idea is growing daily and the retail tobacconists' problem is becoming more tangled each hour. The retail tobacconists' Code must allow something to correct this deplorable condition, or the entire tobacco industry will continue a sea upon which commercial pirates may sail their craft with impunity and with license to slaughter innocent hard-working little merchants. Even the Blue Eagle will walk the plank and in the place of this noble and hopeful standard, the retail tobacconists of this country will visualize a Skull and Cross Bones upon a Black Field—will prepare to expect "No Quarter" from the New Deal, and in their hearts there will be engendered revolt and opposition against it, and in the heart which might have been occupied with that Godly and humane philosophy of—"Live and Let Live"—there will be implanted the spirit of the business freebooter and the trade racketeer—and all the innocents in the tobacco business will suffer more than even before N. R. A. and A. A. came into being.

### Hold Hearing on Agreement for Burley Tobacco Agreement

A PUBLIC hearing was held December 21st at the Lafayette Hotel in Washington on a proposed marketing agreement for buyers of Burley tobacco, under which the contracting buyers would agree to purchase not less than 260,000,000 pounds of the 1933 Burley crop at an average price of not less than 12 cents per pound, or else to pay to the Secretary of Agriculture the difference between an average price of 12 cents a pound, and any lower price actually paid.

Under the agreement, any money so received by the Secretary of Agriculture would be distributed among growers of Burley tobacco according to any method which he might adopt.

All leading buyers of Burley tobacco were represented at the hearing. No opposition to the proposed agreement was expressed. It was pointed out that the agreement would have to be backed by the full support of growers to the program for reducing production in 1934. J. B. Hutson, chief of the tobacco section of the Agricultural Adjustment Administration, stated at the hearing that the proposed agreement was worked out in co-operation with representatives of the tobacco industry, and "is proposed for and in behalf of the Secretary of Agriculture without prejudice or commitment and is subject to modifications."

W. G. Finn, of the Bureau of Agricultural Economics, asserted that an agreement would do much "to bring about greater stability of market prices and lead to an orderly marketing of the present large crop of Burley tobacco." He cited the fact that the Burley tobacco markets have been closed because of low prices and that during this market holiday, growers are signing contracts to reduce production in 1934. "In view of this reduction they should be entitled to fair prices for the 1933 crop," he said, "and a marketing agreement should make possible a more satisfactory level of prices for this year's crop."

The following companies, buyers of about 90 per cent. of the Burley tobacco used for domestic manufacture in the United States, would be the contracting buyers under the proposed agreement:

The American Tobacco Co., Axton-Fisher Tobacco Co., Inc., Brown & Williamson Tobacco Corp., Continental Tobacco Corp., Philip Morris Co., Larus & Bro. Co., Liggett & Myers Tobacco Co., P. Lorillard & Co., Inc., R. J. Reynolds Tobacco Co., and the United States Tobacco Co., Inc.

The following appearances were made at the hearing: W. R. Perkins, representing P. Lorillard & Co.; W. W. Flowers, vice-president, Liggett & Myers; M. A. Broswell, counsel, R. J. Reynolds; Paul M. Hann, vice-president, American Tobacco Co.; Charles F. Neiley, vice-president American Tobacco Co.; G. H. Hummel, vice-president, P. Lorillard; J. W. Andrews, vice-president, Liggett & Myers; F. L. Fuller, counsel, Liggett & Myers; J. W. Abbott, auditor, United States Tobacco Co.; R. C. Harrison, Export Leaf Tobacco Co.; N. F. Brant of Paris, Ky.; Wirt H. Hatcher, Philip Morris Co., and Continental Tobacco Corp.; Frank C. Taylor, secretary-treasurer, Burley Tobacco Growers Co-operative Association, Lexington, Ky.; James C. Stone, Lexington, Ky.; T. M. Anderson, Jr., Export Leaf Tobacco Co.; H. M. Robertson, counsel, Brown-Williamson; R. D. Noland, Burley Tobacco Growers of North Carolina; Senator Alben M. Barkley and Representative Fred M. Vinson, both of Kentucky.

# Heating Plant Beds Controls Blue Mold

HEATING tobacco plant beds to temperatures near 70 degrees F. at night for two to three weeks gave control of the blue mold disease in experiments by the U. S. Department of Agriculture last spring and again this fall. Speaking before the American Association for the Advancement of Science at Boston on Friday (December 29), Dr. E. E. Clayton of the Bureau of Plant Industry reviewed the history of the disease in this country and explained how he, in co-operation with Mr. J. G. Gaines who worked at the Coastal Plains Experiment Station, Tifton, Ga., have been able to grow plants in heated beds while plants in unheated beds alongside were so badly diseased as to be worthless.

The blue mold disease, known to scientists as downy mildew, first became a serious threat to tobacco growers in 1932. That year it was so severe that, even after they had their land prepared for tobacco, many farmers were unable to get plants at any price. Others were forced to set plants late, with the result that their crops were of low quality. In 1933 the disease spread to new areas, but because of weather conditions, did not cause as much damage as in 1932.

Studies by Dr. Clayton and others in the department revealed that blue mold caused widespread damage only in years when there were periods of several weeks when the minimum temperature hovered between 50 to 65 degrees, with intervals of damp, foggy weather. Such weather conditions are most likely to prevail during the last two or three weeks before the plants are old enough to transplant. In such years plants that survive the first attack are frequently so weakened by later attacks that they die when transplanted. This period was relatively short last season and the warm weather that followed stopped the spread of the disease.

Taking their cue from these observations, the Department investigators, working in co-operation with the State experiment stations, decided to give their beds an "early summer" by artificial heat. The idea worked in every case, even though the heated beds had been inoculated with the disease. Various types of heating equipment have been used, but the results are the same.

In his most recent tests Dr. Clayton arranged to have beds kept at controlled temperatures at night to discover the point at which the disease was checked. No effort was made to control temperatures in the day. Four sets of beds were used. In the first the temperature was kept between 60-65; in the second, 65-70; in the third, 70-75; and in the fourth, 75-80. Unheated plots alongside served as checks.

The mildew appeared in its most destructive form in the unheated areas, with all the plants severely injured, Dr. Clayton reports. It was also very severe in the 60-65 beds and less serious at 65-70. There was only a trace of disease with no damage whatever at 70-75 and 75-80. At the beginning of the experiment all beds were inoculated with the disease, but at the higher temperatures the disease failed to develop and spread.

The heating tests will be continued this year at Arlington Farm, and also in co-operation with the Coastal Plains Station, Tifton, Ga.; the Tobacco Station, Oxford, N. C.; Pee Dee Experiment Station, Florence, S. C.; and the Tobacco Station, Greenville, Tenn. These experiments will seek to find the most practical type of heating equipment for general farm use. So far oil heaters have shown most promise. The electrical hotbed heating equipment now used in some hotbeds and greenhouses gave excellent results, but this method is limited to farmers who have access to electrical power.

In their tests the Department workers have used glass covering on their plant beds to prevent the escape of the heat. This spring they will try heavy cloth covers. It is obvious, says Dr. Clayton, that the thin cloth commonly used for tobacco beds in the South will not be satisfactory.

Efforts to control blue mold by seed treatment, spraying seed bed sterilization, or the location of beds in remote areas have failed. Even a bed located on an island where no tobacco was grown contracted the disease, and beds constructed from new material, sown with seed known to be disease free, and located in dense woods on virgin soil developed the disease just as early as the ordinary beds in the locality.

### Announce Program for Maryland Tobacco Growers

A PRODUCTION adjustment program for Maryland tobacco, type 32, under which producers of certain grades would reduce their 1934 crop by 25 per cent. of their base tobacco acreage and base tobacco production, was announced last week by the Agricultural Adjustment Administration.

It is estimated that about 40 per cent. of the Maryland tobacco growers will find it advantageous to take part in the program, the main object of which is to reduce production of the lower grades and improve the general price for this type of tobacco, Rental and benefit payment to growers who take part are expected to total about $140,000.

A rental payment of $20 for each acre taken out of production as stipulated in the agreement would be made to participating growers before March 15, 1934, or not more than thirty days after the Secretary of Agriculture has accepted the agreements. In addition there would be an adjustment payment, based largely on the sales value of the 1934 crop, which would go to participating growers after December 1, 1935, and after they had presented proof of compliance with the terms of the reduction agreement.

Growers who sign agreements automatically become members of tobacco control associations in their own counties, the purpose of which will be to handle administrative details of the program. The cost of operating the county associations will be paid pro rata by the members.

The agreement provides for division of rental and adjustment payments with tenants as their interest may appear. It specifies the use which may be made of land taken out of production. The production of basic commodities on a grower's farm in 1934 is limited, under the terms of the agreement, to not more than that of 1932 or 1933.

The reduction agreement runs with the land. A provision in the agreement gives the Secretary of Agriculture the privilege of requiring in 1935 a reduction not exceeding 30 per cent. of a grower's base tobacco acreage and base tobacco production.



### Flue-Cured Tobacco Return

(*Continued from page 7*)

Up to December 1st, growers had received $89,026,741 for 595,032,046 pounds marketed, out of the total 1933 crop. The average price from the time the markets opened in August to December 1st, was 15.11 cents per pound. The average price per pound for the whole 1932 crop was 11.73 cents; for the 1931 crop it was 8.67 cents. The average for the 1933 season is expected to be somewhat higher as there is more tobacco to be sold and prices now are materially higher than they were when the markets opened.

"The improvement in the flue-cured tobacco situation that has been made thus far through the co-operation of growers and buyers with the Agricultural Adjustment Administration, must be carried into the next crop years," Mr. Hutson said. "Last September growers decided that they would act to help themselves. They signed the preliminary agreements to reduce production, under a program which has since been announced. The reduction program and the preliminary reduction pledges made possible the marketing agreement, which has been a large factor in improving the 1933 price situation.

"Now, throughout the whole flue-cured tobacco belt, growers are signing the formal reduction agreements which qualify them for payments. The program for lifting prices of flue-cured tobacco by adjusting production and making compensation payments to these growers who take part, is an outright business proposition.

"Only the growers are in position to decide whether they are willing to help themselves. The 95 per cent. sign-up of the preliminary reduction agreements last September indicated that they are willing to help themselves. A complete sign-up of the formal agreements now available is necessary for a successful consumation of the flue-cured tobacco adjustment program."

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### Tobacco Employment Up

EMPLOYMENT in the tobacco industry for October, 1933, as shown by reports of the Bureau of Labor Statisties, U. S. Department of Labor, has just been made public. Chewing and smoking tobacco and snuff factories, 30 reporting, had 9,491 on their payrolls during the month, which was an increase of 2.4 per cent. over September, 1933, and a gain of 2.1 per cent. over October, 1932. These same factories had payrolls amounting to $130,914 during October, 1933, practically the same as those of September, 1933, but a gain of 5 per cent. over October, 1932.

Cigar and cigarette factories, 208 reporting, had 46,407 on their payrolls during October, 1933, a gain of 5.1 per cent. over September, 1933, but a decline of 2.9 per cent. from October, 1932. These same firms had payrolls amounting to $650,048 during October, 1933, a gain of 7.2 per cent. over September, 1933, and a gain of 5.8 per cent. over October, 1932.

Employment in chewing and smoking tobacco and snuff factories during October, 1933, was at 91.7 per cent., and in cigar and cigarette factories at 69.8 per cent.

### TOBACCO TRADE ORGANIZATIONS

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WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
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JONATHAN VIPOND, Scranton, Pa ..... Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

### Bayuk Sunshine Club Party

AS AN ENJOYABLE pre-climax to the end of a prosperous year, several hundred employees of Bayuk Cigars, Inc., made merry at a Christmas party on Saturday, December 23d, under the auspices of the Sunshine Club. This is an organization of the Bayuk workers, mutually helpful in character. There was a Christmas tree, and Santa Claus, in the person of the rotund Frank Dalski, distributed gifts. Morris Worman, president of the Sunshine Club, made a talk at the luncheon which followed, expatiating on the origin and purposes of the club. Executives were in attendance at the sunshine party, as well as at a later holiday gathering in the evergreen-decorated foyer, with their own Christmas tree and their own gift distribution. The real climax to the business year started on Wednesday, December 27th, and continued for the following two days—the annual Bayuk convention, which brought Bayuk men into headquarters from all parts of the country.

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Yahn & McDonnell Cigars, 617 Chestnut Street, the largest distributor of cigars and tobacco products, and operator of a large chain of high-grade hotel, office building and club cigar stands in Philadelphia and vicinity, report a fine call for their brands for the holiday trade far exceeding that of the previous year, and also far beyond their expectations. Yahn & McDonnell are the local distributors of the Corona and other International Brands of the Henry Clay & Bock and Co., Optimo and Blackstone, and many other well-known domestic brands, and those mentioned enjoyed a heavy demand and topped the list. Among smoking tobaccos, Briggs Mixture, product of the P. Lorillard Company, experienced a demand so far beyond their anticipation that wires were dispatched to various parts of the country in an effort to secure an additional supply of the eight-ounce and sixteen-ounce packages. Among their controlled brands, the As You Like It and the Marcello topped the list with a splendid volume of sales. All in all, the year just closed was a considerable improvement over the previous one.

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Abe Caro, the Optimo ambassador, paid a visit to the local distributors of the brand (Yahn & McDonnell) last week.

## Trade Notes

According to reports from retailers, wholesalers and manufacturers of tobacco products in this city, the 1933 holiday season just closed was a pleasant surprise to all. There was more evidence of ready cash apparent and purchasers were in much better spirits than in the past few years. Business generally in the cigar and tobacco industry here was very good.

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The Penlo Cigar Company, formerly located at Seventh and Cherry Streets, has leased the building formerly occupied by the Louis King Cigar Company on South Third Street, and the building is now being remodeled preparatory to the moving of their manufacturing unit to that new location.

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Grabosky Bros. Inc., North Second Street, manufacturers of the Royalist cigar, report a most wonderful holiday business, so far beyond their expectations that they were operating their manufacturing department during the past week, an unusual experience in the cigar manufacturing industry during the past few years. Grabosky Bros., Inc., is a comparatively new firm in the manufacturing industry, but their brand has gained a host of friends in the short time it has been on the market, and they report that the year just closed was the best they have experienced.

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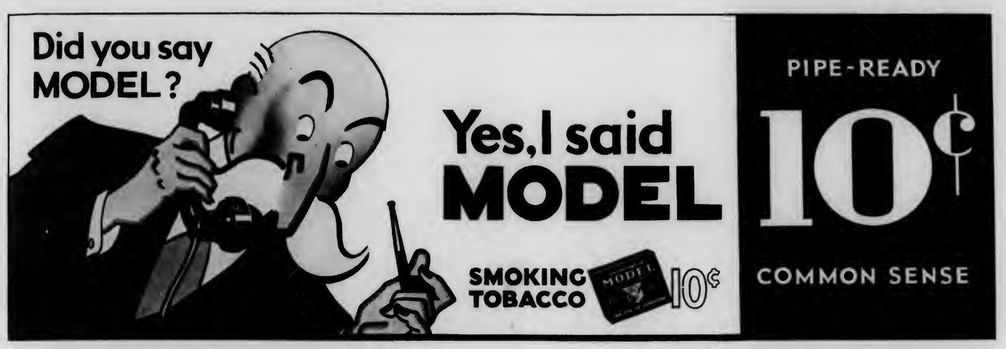
John Wagner & Sons, importers and distributors of tobacco products, 233 Dock Street, report an excellent volume of Christmas business, and have just closed one of their best years in their cigar department. Imported cigars recorded a substantial gain during the holiday season over last year's business, and among those imported brands distributed by the Wagner House, Romeo y Julieta were at the head of the list. Some sizes of this brand were entirely exhausted last week. Among the high-grade domestic brands, Don Sebastian and Garcia y Vega brands were the leaders; and among the controlled brands of the Wagner House, Monticello and Wagner brands enjoyed a splendid demand. On their Monticello and Wagner #3 brands of smoking tobacco, the demand so far exceeded their expectations that they were forced to wire for additional express shipments in order to satisfy the demand.






### York County Banquet Usual Success

THE Annual Banquet of the York County Cigar Manufacturers Association was held at the Yorktowne Hotel, York, Pa., on December 7th, and was voted a complete success by those in charge of the arrangements, as well as the guests. About 250 guests were present and they were treated to the usual famous York County dinner of roast turkey with all the trimmin's. During the course of the dinner the guests were entertained by the Red Lion Orchestra.

Congressman Harry L. Haines, and T. E. Brooks, president of the York County Cigar Manufacturers Association, were the principal speakers of the evening.

Congressman Haines addressed the guests on the subject of the Code of Ethics which is in process for the cigar manufacturing industry, and stressed, the need of co-operation and the practice of the Golden Rule at this time as being necessary for the attainment of those results most desired, and which would be of tremendous value to the industry. He also expressed himself as being opposed to the proposed thirty-hour week.

Mr. Brooks reviewed the activities of the Association during the past year.

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### Sends Cigars to President

John A. Campbell, of the Autokraft Box Corp., Detroit branch, was a visitor in Philadelphia on December 16th, attending the meeting of the cigar container industry for the purpose of electing the Code authority for that industry, and while here dispatched to President Roosevelt, through E. B. Shultz, Deputy Administrator in the National Recovery Administration, a handsome box of Webster cigars with the President's name embossed thereon.

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### Philadelphians at Washington

Among Philadelphians prominent in retail and wholesale tobacco products circles who attended the public hearing on the retail and wholesale Tobacco Code in Washington on December 15th and 16th were George Jones, of Yahn & McDonnell Cigars; George Frings, of Frings Bros., S. M. Blumenthal; and Daniel Hertman, Morris Levitone, Israel Stiefel and William Waschler, representing the Retail Cigar Stores Association of Philadelphia.

### Retail and Wholesale Code Hearing

ON December 15th and 16th the public hearing on the proposed Code of Fair Competition for the wholesale and retail tobacco dealers, was held in Washington, and considerable progress was made toward the speedy approval of this Code. The hearing was well attended by representative men in the industry from all parts of the country.

Siegfried Hartman, counsel for the National Association of Tobacco Dealers, and the Retail Tobacco Dealers Association of America, Inc., spoke on behalf of the thousands of retailers and distributors in the country who are fighting to maintain their existence, and pointed out that the adoption of the provisions of this Code was vitally necessary to this group.

During the course of the hearing it was pointed out by Administration authorities that a provision to effectuate the purposes of the A. A. A. had been omitted from the proposed Code, and it was agreed that this would be immediately corrected.

Those most active in the preparation of the Code were highly complimented on their work, and particularly on their fine spirit of fairness with labor.

With the hearing concluded, differences of opinion will be adjusted, and the Code will be pushed through to its final approval by President Roosevelt just as quickly as possible.

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### Warehouse Code Hearing

PUBLIC hearing on a code of fair competition for the auction and looseleaf Tobacco Industry was held at the Lafayette Hotel in Washington, D. C., December 28. The Code was submitted by the National Association of Auction and Looseleaf Warehouse Associations. Because of the closed auction markets for tobacco, an emergency was declared in the notice of hearing and less than ten days time was allowed.

The Code includes wage and labor provisions and provisions relating to brokerage charges and other fees charged in the handling of the tobacco. It calls for the establishment of a supervisory body of eleven members. Ten of the members would be chosen by the industry itself, on a regional basis, and the eleventh would be elected by the other ten.

The Code applies to warehouses in North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, Virginia, West Virginia and Maryland.

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## Tobacco Merchants' Association Registration Bureau,

341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

**WHITEHALL:—46,280.** For cigars. July 22, 1933. Max Wishny, New York, N. Y.

**GREYSTONE:—46,277.** For cigars. November 3, 1933. Geo. Zifferblatt & Co., Philadelphia, Pa.

**GRANDEVO:—46,278.** For all tobacco products. December 7, 1933. Garcia Grande Cigars, Inc., New York, N. Y.

### TRANSFERS

**INTERLUDES:—5749** (Trade-Mark Record). For cigars. Registered April 13, 1889, by George Schlegel, New York, N. Y. Transferred to Penick Cigar Corp., New York, N. Y., December 8, 1933.

**LADY GRANTLY:—25,203** (Trade-Mark Record). For cigars. Registered August 19, 1901, by O. L. Schwencke, New York, N. Y. Transferred by American Colortype Co., Allwood, Clifton, N. J., successors to the original registrant, to Max Wishny, New York, N. Y., December 12, 1933.

**DONALDA:—32,461** (Tobacco Leaf). For cigars, cigarettes, cheroots and tobacco. Registered November 13, 1906, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by the American Box Supply Co., Detroit, Mich., and re-transferred to Deisel-Wemmer-Gilbert Corp., Detroit, Mich., December 6, 1933.

**DEMANDER:—16,208** (National Registration Bureau of Milwaukee, Wis.). For cigars, cigarettes, cheroots and stogies. Registered July 8, 1909, by Michigan Cigar Box Co., Detroit, Mich. Transferred by Autokraft Box Corp., Detroit, Mich., successor to the registrant, to the American Box Supply Co., Detroit, Mich., December 6, 1933.

**LA VOCA:—46,276.** For cigars. Registered December 7, 1933, by Max Wishny, New York, N. Y. (This certificate is issued upon presentation made to us that the trade-mark or trade name herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus, has been in use by Nathan Wishny, New York, N. Y., for a great many years, and transferred the same to Max Wishny, New York, N. Y., June 28, 1933.)

**THE STANDARD HAVANAS:—10,665** (U. S. Tobacco Journal). For cigars. Registered April 8, 1889, by Feinberg & Cohn, New York, N. Y. Through mesne transfers acquired by Julius Klorfein, New York, N. Y., and re-transferred to Garcia Grande Cigars, Inc., New York, N. Y., November 28, 1933.

**EL GRANDEVO:—29,791** (Tobacco Leaf), and **30,387** (U. S. Tobacco Journal), for cigars, cigarettes, cheroots and tobacco. Registered June 9, 1905, by the American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successor to the registrant, to Garcia Grande Cigars, Inc., New York, N. Y., November 29, 1933.

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"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

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VOLUME 54 No. 2

U. S. Department of Agriculture.

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 JANUARY 15, 1933 No. 2

*The TOBACCO WORLD has signed the President's agreement and is operating under NRA Code, gladly and wholeheartedly co-operating to the fullest extent in the Administration's effort to promote industrial recovery.*

▲

WITH the advent of the National Industrial Recovery Act, those industries which did not have a trade association in good functioning order immediately began to plan for such an organization, and those industries which did have such an organization breathed a prayer of thanksgiving that it had been preserved through the years of depression instead of being allowed to drift into oblivion as so many were allowed to do during those years.

A statement just issued by Wilson Compton, Chief of Trade Associations, National Recovery Administration, is offered for your careful attention on another page of this issue and, we believe, offers fairly conclusive evidence as to why all members of an industry should immediately plan to join their trade association and co-operate with it to the fullest extent if our hopes for a restoration of prosperity are to be realized and made permanent.

Mr. Compton says, "What is going on in America, as I view it, is a gigantic struggle between socialism and regulated individualism. Uncontrolled individualism as manifested in the past decade has failed. If regulated individualism likewise fails the obvious alternative is socialism in some form, with its supplanting of individual initiatives and its suppression of individual rights.

"There is more at stake than that. I do not believe that regulated individualism will fail. If it fails it will be because direct government regulation, which ultimately is necessarily political, will have supplanted industrial self-regulation. The National Industrial Recovery Act gives industry not only the opportunity for self-regulation but, what is more important, the enforceable means of making it effective. No great industry is acting wisely which does not promptly respond to the nation's challenge or which does not deliberately, courageously and in good faith seek to establish in this country the right, the effectiveness, and the public dependability of industrial self-government.

"Trade and industrial associations are the backbone of the system of industrial code government authorized under the Act and being diligently and courageously developed by the National Recovery Administration."

And so, we urge again, get in touch with your trade association immediately whether you are a retailer, manufacturer, wholesaler or one of the great army of salesmen, and join with them in this great co-operative effort for the betterment of each and every one in this great country of ours. They need your moral and financial support, and the greater the number of members enrolled in each trade association, the greater are the possibilities for them to be of great benefit to you and your industry.

ADVANCE of cigarette prices from $5.50 to $6.10 per thousand is definite, tangible evidence of progress in business recovery, not as regards cigarettes alone but commodities generally. The present price closely approaches that of the years when cigarettes rose to their highest peaks. They were selling at $6.40 per thousand ten years ago, and at that price production increased from 1923 to 1927, in successive years as follows: Sixty-six billion, 73 billion, 82 billion, 92 billion, and 100 billion. During the greater part of the next two years the price dropped to $6 and the production climbed to 108 billion in 1928 and 122 billion in 1929. Then, back again to the $6.40 figure, manufacture reached the staggering total of 123 billion in 1930.

With an increase to $6.85 in June, 1931, sales dropped to 117 billion that year and to 106 billion in 1932. There was a reduction to $6 in January of last year, followed by another cut to $5.50 in February, and the production curve turned upwards, showing 111 billion for the twelve months ended November 30.

There is a world of encouragement for all business in the return of cigarette prices to a closer approximation of the figure at which sales were greatest. And there is specific encouragement to the retail tobacconist in the thought that this price rise, coming in advance of the hoped-for and shortly-expected approval of the Retail Tobacco Code, will mark a return to the days when he shall again become a merchant, with a fair profit on his sales, instead of a mere dispenser of service.

WHEN you are giving thought to this business you are in, do not overlook the fact that in the fiscal year of 1933, for which the report has just been issued, the tobacco industry paid taxes to the Government amounting to $402,739,059.25, the largest single item of revenue with the exception of the sales tax, which covers a variety of things, including liquors, stamp and excise taxes, communications, checks, oleomargarine, etc. The tobacco taxes were $4,160,440.69, or 1.04 per cent. greater than the collections for the previous fiscal year. Tobacco taxes represented 24.86 per cent. of the total Internal Revenue collections of 1933.

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Cigarettes accounted for 81.55 per cent. of the total tobacco taxes; tobacco and snuff, 15.36 per cent.; cigars, 2.85 per cent.; the remaining .24 per cent. coming from cigarette papers and miscellaneous items. As compared with the previous year, the following major increases or decreases were recorded in collections: Cigarettes, increase, $10,885,333.56 (3.43%); large cigars, decrease, $2,902,683.59 (20.43%); manufactured tobacco, $2,579,814.76 (4.45%); snuff, $441,302.00 (6.45%); cigarette papers, $726,689.11 (44.43%).

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

### Tobacco Conditions Abroad

GERMANY—It is stated in the trade that German tobacco growers will plant cigarette tobaccos from acclimatized Oriental grades during the coming 1933-34 season, and if the cultivation of these grades of cigarette tobaccos meets with success, the area under cultivation for tobacco will be extended and thus provide additional employment. The German Tobacco Research Institute expects that the cultivation of tobacco free from nicotine or of small nicotine content will also be undertaken by tobacco planters during the coming season. (American Consul W. A. Leonard.)

EGYPT—During the month of October, 1933, as reported by the Egyptian Government Customs Administration, withdrawals of leaf tobacco amounted to 1,054,409 pounds and manufactured tobacco to 7194 pounds. Imports of leaf tobacco totaled 6744 bales, and exports of cigarettes totaled 70,887 pounds. Stocks of leaf on hand at the end of the month amounted to 255,070 bales. (American Commercial Attache Charles E. Dickerson, Jr.)

GREECE—The monthly report of Offices for the Protection of Greek Tobacco, as reviewed by the Tobacco Division, Department of Commerce, shows that, out of the 1932 crop of 59,305,038 pounds, 50,275,478 pounds were sold by the end of October, leaving 9,029,560 pounds of that crop on hand. Owing to the reserved attitude of buyers in expectation of the law reducing the rate of interest accruing to banks on advances against pledged tobacco, business transactions in manipulated tobaccos, as well as in tobaccos sold by growers, was rather dull. Sales during October amounted to 1,519,437 pounds.

CUBA—A strike among Havana tobacco workers has affected most of the large cigar factories. It is said that unless the strike is promptly settled, export movement of cigars, which is usually very heavy at this season, will be seriously affected, due to the fact that the striking workers are affiliated with harbor workers, and the affected factories have been restrained from making shipments of cigars. (Commercial Attache Albert F. Nufer.)

TURKEY—There is reported to be pending before the Assembly of Turkey a bill providing for the creation of a corporation, half of the capital of which will be supplied by the state and which will distribute Turkish tobacco and tobacco products abroad. (Consul Charles E. Allen.)

AUSTRALIA—Effective November 25, 1933, the Australian import duties on unmanufactured leaf tobacco entered from all sources to be locally manufactured into tobacco other than for cigars and cigarettes were increased as follows: Unstemmed, per pound, 3s. 6d., from 3s.; stemmed, partly stemmed, or in strips, per pound, 4s., from 3s. 6d. The existing margins of preference are retained. (Courtesy of Australian Customs Representative, New York.)

CANADA—A provincial estimate places the Bright flue-cured tobacco crop of Ontario at 23,000,000 pounds. Ontario tobacco prices tend to be firm, and current sales are reported better than in October, with tobacco growers well organized to protect prices. (Commercial Attache H. M. Bankhead.)

IRELAND—If and when the Irish Free State carries out its present ideas of increasing production to a point near consumption, and if a taste can be created for Irish tobacco, the United States might suffer the partial loss of the market for dark tobaccos of Kentucky, Tennessee and Virginia. Irish Free State manufacturers obtain their supplies of American tobacco direct from the United States and through dealers in Dublin, Liverpool and London. The average volume imported during 1924-1928, inclusive, was 9,279,546 pounds and, during 1929-1932, inclusive, 10,165,402 pounds. During the first-named period, direct shipments from the United States were approximately 20 per cent. of the total, and, during the second-named period, direct shipments approximated 42 per cent.

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### Outside Operations of Chain Stores

Financial results of chain stores are often affected to a great extent by other than chain stores' operations, it was revealed on December 31st in the final factual study in the series of reports on chain stores resulting from the investigations of the Federal Trade Commission. This latest report, which is being submitted to the Senate, is entitled "Uses of Capital and Application of Tobacco Chains."

The Federal Trade Commission declared it found members of the tobacco chain group reporting a large proportion of their total capital devoted to outside operations. Some tobacco chains showed operating losses on chain store operations, at the same time earning a substantial amount of outside income which enabled them to obtain a net income on investment.

Of the total available funds of eleven companies ($66,290,893) analyzed for the five years from 1925 to 1930, inclusive, 41 per cent., or $27,106,019, were paid out in dividends. This exceeded the net income, and it was necessary to draw funds from other sources to make up the deficiency. More than $19,000,000, or 29 per cent., of the total available was invested in activities other than chain store operations, such as securities in other companies and real estate, while more than $13,000,000 were placed in capital assets.

Income from operations of the business provided more than $26,000,000, or less than 40 per cent. of all funds; borrowed capital furnished more than $21,600,000 (33 per cent.); profit on capital assets sold, more than $7,000,000 (11 per cent.), and capital stock issued, approximately $6,000,000. These receipts were not sufficient to carry on the normal operations of the business, and working capital was decreased by more than $4,000,000.

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### Cigarette Prices Advanced

The long-looked-for raise in wholesale prices on cigarettes became a reality on Monday night, when the R. J. Reynolds Tobacco Co. announced new prices on their Camel cigarette of $6.10 per thousand. The new price became effective on Tuesday, January 9th, and was an increase of 60 cents per thousand over the price prevailing since February, 1933. The other companies were quick to fall in line and the price on all the so-called "Big Four" popular brands were advanced to the same figure. This would seem to establish the retail price at two packages for twenty-five cents and should prove of great benefit to the retailer, manufacturer and jobber, and is in line with increased manufacturing costs as a result of the National Recovery movement.



# Epochal Events in 1933

*Following the release of the annual report of the Commissioner of Internal Revenue for the fiscal year ended June 30, 1933, the Tobacco Merchants Association of the U. S. issued its year-end Barometer, from which the following paragraphs have been taken, as a matter of record, because of their interest to the trade:*

THE fourth year of the world-wide depression has passed out, leaving a record of epochal events that will form an outstanding chapter in American history. Beginning with the bank moratorium shortly after the inauguration of Franklin D. Roosevelt as President, there followed in rapid succession the enactment of the Agricultural Adjustment Act and the National Recovery Act; the codification of industries and the adoption of the Blue Eagle emblem; the movements to reduce farm acreage to curtail crops and to raise the prices for farm produce; the marketing agreements and processing tax levies; the gigantic public works program; the vast extension of the operations of the R. F. C. and the inauguration of a new monetary policy. All of these developments with their intense complexities and their new and intricate problems have helped to make the 1933 record one that will long be remembered.

Referring particularly to the tobacco industry, it should be added that, during the year, the trade in almost every State of the Union has been seriously menaced with tax legislation in one session after another, totalling not less than forty-three regular and forty-four special legislative sessions (to which may be added the sessions in Alaska and Puerto Rico).

But, happily, no new tobacco taxes were levied except in the State of Arizona, while the cigarette tax was reduced in one State and the cigarette dealer's license fees were reduced in several States.

During all those hectic times, those days and months of continuous and never-ending activities in dealing with the new developments, new situations, new problems and new emergencies, the tobacco industry, in keeping with its long record of sterling patriotism and public spirited action, has steadily, firmly and unfailingly displayed an intensely patriotic desire to co-operate with the Government in every possible way, coupled with a genuine willingness to make all needful sacrifices for the sake of the common cause and the common good.

Several branches have recorded an increase in volume during the twelve months from December 1, 1932, to November 30, 1933. This is true, notably, in the case of cigarettes, over 111,000,000,000 of which were withdrawn for consumption as compared with 103,000,000,000 in the previous year, and in the case of snuff, which increased from about 36,000,000 pounds to 37,000,000 pounds.

Class A cigars also rose slightly from 3,700,000,000 to about 3,900,000,000, and it is particularly significant that this class has shown an increase for every month from April 1933 on, as compared with the corresponding months of the previous year. However, it must be noted that the cigar business as a whole suffered a decline of about 4 per cent. in volume.

The consumption of manufactured tobacco fell off slightly, but judging from the increase in cigarette paper withdrawals, as reflected in the revenue reports, it seems evident that the "roll your own" type of tobacco registered a substantial gain.

Collections from tobacco taxes amounted to $402,739,059.25 for the year, an increase of $4,160,440.69, or 1.04 per cent., compared with the previous year. Tobacco taxes represent 24.86 per cent. of the total internal-revenue collections of 1933, compared with 25.59 per cent. for the previous year.

The taxes on small cigarettes, the source of the greatest portion of the tobacco tax collections, amounted to $328,418,413.58, an increase of $10,885,333.56, or 3.43 per cent. over the previous year, and represents 81.55 per cent. of the total tobacco taxes collected during 1933, as compared with 79.66 per cent. for the previous year. Principal decreases in tobacco tax collections were $2,902,683.59 on large cigars, $2,579,814.76 on manufactured tobacco, and $441,302 on snuff. The taxes collected on cigarette papers and tubes amounted to $918,552.84 and $39,592.50, respectively, decreases of $726,689.11 and $15,668.40, respectively, compared with the previous year.

Taxes were collected in 1933 on 9,819,889 packages of cigarette papers of domestic manufacture and on 57,894,783 packages of imported cigarette papers, an increase of 1,812,063 packages and a decrease of 61,750,289 packages, respectively, as compared with the previous year; and on 25,896,200 cigarette tubes of domestic manufacture and 171,702,500 imported cigarette tubes, a decrease of 110,084,300 and an increase of 31,106,350 tubes, respectively, as compared with the previous year. There were removed from the place of manufacture and imported during the year 1,458,496,429 and 457,074,483 packages, respectively, containing not more than twenty-five papers each which were not subject to tax, increases of 439,819,611 and 214,475,250 packages, respectively, as compared with the previous year. There were also removed during the year from the place of manufacture 20,893,300 cigarette tubes exempt from tax for use by cigarette manufacturers and for use in the manufacture of medicinal cigarettes, an increase of 7,028,250 cigarette tubes compared with the previous year.

An enumeration of the companies operating in the two years reveals the following comparisons, the first figure in each instance representing the number of firms in 1932, and the second the number in 1933: Tobacco manufacturers, 1,055-1,036; cigar and cigarette manufacturers, 6,088-5,900; Dealers in Leaf Tobacco, 2,469-2,436.

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Albert Gold, superintendent of Henry Clay & Bock & Co., factories in Trenton, N. J., paid a friendly visit on Friday to Yahn & McDonnell, local distributors of the International Brands.

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Out of town visitors last week were Frank Swick, of Simpson, Studwell & Swick, New York City manufacturers of Chukkers and other high grade cigarette brands; Mannie Perez, of Marcelino Perez & Co., Tampa, manufacturers of Redencion; Tony Gutierrez, manufacturer of the Carlton, Passaic, N. J.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

PROTECTION of the American export trade in tobacco is sought by Congressman Kerr of North Carolina in a measure he has introduced in the House of Representatives, prohibiting the exportation of tobacco seed and live tobacco plants except for experimental purposes. Exports in violation of the measure would be punishable by a fine not exceeding $5,000, or by imprisonment for not more than one year, or both.

ABUSE of the privilege enjoyed by travelers in bringing tobacco and intoxicating beverages into the United States when returning from abroad has led to the imposition of drastic restrictions by the Treasury Department. Heretofore there has been no limit, so far as customs duties were concerned, other than the $100 exemption allowed for merchandise bought abroad as an incident to a bona fide trip for other reasons than the purchase of foreign merchandise to be brought in duty-free under the exemption.

The limitations now imposed permit the bringing in by adults of not more than fifty cigars, 200 cigarettes or three pounds of manufactured tobacco. The amount of liquor which may be brought in is limited to one quart.

POSSIBILITIES that small concerns may have been adversely affected by application of the industrial recovery act are being studied by a special committee created by the business advisory and planning council for the Department of Commerce. Information is being gathered in a variety of trades of cases of damage to small companies which are attributed to the effects of the recovery act. On the basis of this data, the committee will recommend definite and practical measures to correct the situation.

"It is apparent already that the influences of NRA upon small concerns vary widely," it was stated at the department. "Some have been reported as having been greatly helped, others as having been closed down completely. Moreover, there is no precise size of concern which can be called 'small', since a small company in one trade may be bigger than the largest in another.

"In its early stages, therefore, the study will pay attention to any reports of damage upon which detailed information is given and which can reasonably be attributed to the effects of the recovery act."

TOBACCO investigations of the Bureau of Plant Industry of the Department of Agriculture, including studies of tobacco production and handling, will be continued during the fiscal year beginning July 1, next, at about the present level, despite a reduction of more than $10,000 in appropriation, it is shown by the budget submitted to Congress by the President January 4.

For the coming year, the bureau is to be given $69,245. The present appropriation is $80,000, but under the economy program instituted by the President last spring, $14,108 will be saved during the current year. Practically all of the increase over this year's expenditure of $65,892 is designed to be used in restoring one-third of the pay cut of 15 per cent. in Federal salaries which is now in effect.

The same situation prevails with respect to the fund for the collection and publication of statistics on tobacco, for which $15,805 is to be provided. The present appropriation is $23,200, but only $15,100 is to be spent.

The Tobacco Division of the Department of Commerce is to be given a fund of $12,884 against a present appropriation of $10,779.

A NEW tariff theory, differing radically from the historic principles of the Democratic and Republican parties, contemplating the classification of all American industries with a view to selecting those which can best be "sacrificed" in the carrying out of a long-term international trade policy, is under consideration by the Administration.

Completion of the plan will be followed by the introduction of legislation vesting in the President broad powers to increase or reduce duties within certain limits and to regulate imports, practically stripping Congress of its tariff-making powers.

Each branch of every primary industry, including all agricultural and extractive industries, would be graded under the proposed scheme on the basis of its economic suitability to the United States as measured primarily by past efficiency; possible contribution to national defense; wage levels and other indications of general social utility; number of people employed and vested interest represented; geographical distribution; alternative sources of foreign supply, and dependence, for proper operation, on other industries.

A half-dozen grades have been proposed, the first of which would include export industries requiring

(*Continued on Page 17*)



# Program for Tobacco Growers

**By J. B. HUTSON**

**Chief of Tobacco Industry, Agricultural Adjustment Association**

CONSIDERING the situation of tobacco growers as a whole, we find that the receipts from the sale of all types of tobacco declined from approximately $286,000,000 in 1929 to $105,000,000 in 1932. A decline in dollar income of approximately $181,000,000 to tobacco growers in three years resulted in an acute situation. Tobacco growers were being forced off their farms; some sought to shift to other types of farming in which the chances for a decent return were just as remote. The prospects for an improvement were very dismal at the beginning of 1933. Excessive supplies of most types of tobacco and the general outlook for business made the situation for tobacco growers appear decidedly unfavorable. It was difficult to dispel gloom and pessimism when the facts were squarely faced.

It is significant to note that during the period in which returns to tobacco growers declined so drastically, the manufacturers were able to continue to increase their profits. In fact, they were able to maintain them on a high level during the depression period while farm prices were sinking to such disastrous levels. The total profits of fifty-two manufacturers was $146,000,000 in 1932 as compared with $76,000,000 in 1933. There were other branches of the tobacco industry which were likewise able to maintain their profits at a high level during this period of declining farm prices.

Obviously the tobacco grower was not receiving a fair and equitable share of the consumers' tobacco dollar. The answer of the national Congress to this anomalous situation was the Agricultural Adjustment Act, a mandate to the Secretary of Agriculture to procure for the producers of the nation's basic agricultural commodities a fair share of the national income—to establish that parity between the farmers' prices and the prices for the things he buys that existed, for tobacco, during the ten years from 1919 to 1929.

Acting on this mandate from Congress, a tobacco section was organized in the Agricultural Adjustment Administration and began to function, drafting plans for aiding the tobacco producers. In order to have a definite objective before us, we set out to help obtain for tobacco growers approximately twice as many dollars as they received last year. When we examined the situation in detail, we found that large stocks of practically all types of tobacco had accumulated for one reason or another during the past few years. A large crop of most types had already been planted and as the harvest time approached, we knew that the current crop was going to add more than 200,000,000 pounds to the surplus supplies.

Many plans for dealing with the various types of tobacco were carefully considered. Growers themselves came to Washington and we have been in constant consultation with the representatives of the tobacco growers as well as others in the tobacco industry. From these discussions and through our various efforts in the field in dealing with the fundamental problem of controlling production, a general policy for tobacco has evolved. It is a program which has already demonstrated its effectiveness in the flue-cured area and one which, we confidently believe, will bring us close to our goal of doubling the income of tobacco growers for the current marketing season.

We have eleven production adjustment programs in progress at the present time. These programs for the different types of tobacco have two parts which constitute our present policy for increasing the income of tobacco producers: First, growers are offered contracts to reduce production. As they agree to reduce production, we proceed to negotiate with the buyers for higher prices. Backing up a production adjustment program for the 1934 crop with a marketing agreement on the 1933 crop, means in effect, that we are attempting to capitalize the action that the tobacco growers are taking to reduce production next season in terms of higher prices for the current season.

Through these two instrumentalities—the production adjustment programs and the marketing agreements—we hope that, in spite of the very large supplies that confronted us at the beginning of the season, to help tobacco producers obtain more than $200,000,000 during the current marketing year as compared with the $105,000,000 received for the 1932 crop of tobacco.

In working out these programs, we have first consulted with the tobacco producers themselves to find if they were willing to join in a unified effort with their neighbors and with their Government to restrict tobacco production to market requirements. Finding an eagerness on the part of the growers to participate in a program of this character, we then began negotiations with the principal domestic buyers to work out marketing agreements that would mean improved prices for the current crop.

As I have previously stated, the profits in some branches of the tobacco industry have been relatively large during the past few years. In the formulation of plans to effect a more equitable distribution of the consumers' tobacco dollar as between the growers on the one hand and the other branches of the industry on the other, we have found the tobacco manufacturers generally willing to join with us in getting higher prices for the growers. One very important reason for that is that, acting with the advice and counsel of tobacco growers, we have been able to devise plans that would protect the manufacturers against excessive supplies being brought to the market next year or the year after. Another important reason is the fact that where our programs have resulted in increased costs to manufacturers the competitive relationship between individual manufacturers has not been materially changed by these added costs. And, in the process of these negotiations, I have found a disposition among the manufacturers generally to do what they can, consistent with accepted business policy, to bring about a greater return to the growers. I conceive this commendable attitude to be a further recognition by business and industry that the principle of parity prices for agriculture is not only just for the farmer, but good business.

We set out first to deal with the cigar-leaf situation. Supplies of this type were sufficient to last for five years at present rates of consumption. We asked cigar-leaf tobacco growers to reduce the 1933 crop to a level 50 per cent. below the 1932 crop. Some reduction had already been contemplated and although the program was inaugurated after the planting season was well under way, more than 80 per cent. of the growers joined in the plan. As a result, the present crop of cigar-leaf tobacco is approximately 60 per cent. of consumption. However, the farmers still hold a portion of the crops of earlier years, manufacturers' stocks are still large. Two or three years more, with production at a reduced level, will be necessary before a healthy, balanced situation is restored. Meantime payments will be made those who participate in the reduction program and every effort made to obtain a market and a fair price for the reduced output. Rental and adjustment payments made cigar-leaf growers up to this time approximate $1,500,000.

Our next program concerned the flue-cured types grown in Virginia, the Carolinas, Georgia and Florida. Stocks on hand were not excessively large but the maturing crop promised to be about twice as large as the preceding season's short output and somewhat above the level of consumption. Markets opened August 1, and as the selling season advanced, it became apparent that the crop was even larger than anticipated earlier in the season. By the time the markets opened in Eastern North Carolina, those in the tobacco trade were convinced that the crop was going to be a very large one. When they offered less for the tobacco, markets were closed. Plans were near completion for a production adjustment program, but to meet the emergency a tentative agreement was offered growers. More than 90 per cent. of the growers signed during a two weeks' period, agreeing to reduce production the next season.

As soon as growers had given evidence of their intention to reduce the next crop, a marketing agreement was concluded, under the terms of which the leading domestic manufacturers agreed to pay prices materially higher than those which prevailed prior to the closing of the markets. Since the domestic buyers purchase in most grades, competition caused the prices paid by exporters to advance almost as much as the prices paid by domestic manufacturers. It now appears, as the result of this combined attack on an emergency problem, flue-cured growers will receive between two and one-half to three times as much income during the current marketing year as they received last year and more than twice the amount they received for the 1931 crop. The adjustment campaign is making good progress in the flue-cured area and the vast majority of the growers have already agreed to reduce their production 30 per cent. next year. We next focused our attention on the Burley situation and at the same time engaged in the development of programs for the fire-cured and dark-air-cured types.

Stocks of Burley are excessively large this year. For the fifth year in succession, growers produced more Burley tobacco than is required for consumption. The crop this year, as most of you know, is about 50 per cent. above consumption, and there is in this country, including the present crop, as much Burley as normally would be used in four years, which is about 50 per cent. above normal. We spent several weeks in numerous conferences with growers and others interested in Burley tobacco from all sections of the country in developing a program for this type of tobacco. After these conferences, the adjustment program was completed and announced just prior to the opening of the markets in December. Since that time there has been concluded a marketing agreement under which the domestic manufacturers agree to purchase a minimum of 260,000,000 pounds of this year's crop at an average price of not less than twelve cents per pound. The buyers agree to purchase against their requirements in the usual and ordinary manner, and it is believed that the competitive situation is such that it will be to the interest of all concerned to make the crop average not less than twelve cents. This price will depend to some extent on how promptly and completely Burley growers act in signing the contracts agreeing to reduce production next season. Reductions of 33 1-3 per cent. and 50 per cent. of the base period are being offered to Burley producers.

About the same time the Burley program was announced, the adjustment plans for fire-cured and dark-air-cured types were formulated. Fire-cured tobacco was formerly consumed in large quantities in foreign countries, but foreign consumption has drastically declined in recent years. Exports of the fire-cured types have declined from around 200 million pounds in 1923 to below 100 million pounds during the past several years. The production of competing types has been increased in many foreign countries and in some instances the consumption of the particular products in which fire-cured is used has declined. Consumption of fire-cured tobacco in the United States also has declined in recent years. In other words, the world is now demanding only a small crop of fire-cured tobacco, whereas land and equipment are available for producing a much larger crop. Total supplies are now large in relation to present consumption requirements. The problem is how to make the best of a very unsatisfactory situation. During the past two weeks, growers in Kentucky, Virginia and Tennessee have been signing contracts to reduce the next crop by 25 per cent.

We have under way a reduction campaign for the dark air-cured types. World consumption of these types is approximately 60 per cent. below the level of ten years ago. Export trade has declined until there is little more to be lost. Consumption during the past year has been about 10 per cent. smaller than during previous years, but supplies are equal to those of a year ago. Growers of these types are being asked to reduce production 30 per cent. next year.

Negotiations are now under way for marketing agreements on all the dark types of tobacco. These negotiations entail four separate agreements. The proposed agreements have already been drafted and some of the commitments tentatively agreed upon. Under the terms of these proposed agreements, the principal domestic buyers of these types would agree to purchase quantities equal to the amounts used last year at prices ranging up to 100 per cent. above last year's prices. The agreements provide a minimum auction price bid of $1.50 on all the dark types, with a provision that on the tobacco for which no offer is made a price of $1.25 will be paid. In addition we are looking carefully into the possibility of regaining some portion of the export trade for dark tobacco lost in recent years. To this question in particular we will be directing our attention during the next few weeks.

If a large percentage of growers sign the adjustment contracts, it is expected that the total returns for fire-cured tobacco during the current marketing

(*Continued on Page 17*)

THE HEIGHT OF GOOD TASTE

ALWAYS *the Finest Tobacco and* ONLY *the Center Leaves*

# New Outlook for Trade Associations

By WILSON COMPTON

**Chief of Trade Associations, National Recovery Administration**

THE National Industrial Recovery Act was hailed as a Magna Charta for trade and industrial associations. But it is more than that. It is a challenge to both industry and public service.

Trade and industrial associations are the backbone of the system of industrial code government authorized under the Act and being diligently and courageously developed by the National Recovery Administration. But this background of trade organization is as yet inadequate. Code government and the opportunity which it affords for deliberate industrial self-regulation have conferred privileges and imposed duties to which the association establishment of American industry has not yet adjusted itself. There are in this land many thousands of trade and industrial associations, local, regional or national in scope. But of these only a few hundred were effective; the others were struggling against difficult, if not insuperable, obstacles.

Co-operation in industry, under our traditional system of competition enforced by the sanctions of repressive statutory prohibitions, has been under a conspicuous handicap. Much public mention has been made of the anti-trust laws. No one will seriously question the wisdom or the public value of their objectives. Nor will any person informed of the facts and problems of industry and commerce under present-day conditions be left in doubt of the unwisdom of the manner in which it was sought to accomplish these public objectives under the anti-trust laws. Public protection, and not the particular formula by which it is secured, is the important consideration. The Sherman Act, though sound in purpose and principle, was inflexible in application and inconsiderate of changing competitive conditions in a world of economic change. In many respects and in many industries the act had become a destroyer of public interests which it was intended to protect. In many industries it became the greatest ally of monopoly. It deprived small enterprises of the privilege of co-operation with others, which was their only effective means of meeting the competition of large enterprises. Even among the more highly centralized industries, the heavy hand laid upon effective co-operation left competitors both large and small at the mercy of destructive practices.

### Competition in Changed Times

As long as public purchasing power was abundant and the demand for commodities heavy, the industries and trades were enabled by and large to withstand these adverse conditions, to absorb them, and to carry on. But when public purchasing power fell by half and the demand for commodities vastly declined, they were confronted with the unhappy choice of joining in the national epidemic of competition in wage reductions or risking annihilation.

The American people were being called upon to pay too high a price for the preservation of the legal forms of competition, which had lost both their economic and humanitarian substance.

For more than a decade far-seeing men in industry and in government have sought constructive modification of the anti-trust laws which would preserve the substance, if not the traditional form, of the protection through public sanctions and supervision of reasonable agreements in industry and commerce. But only the universal distress of a prolonged depression, which was witnessing the gradual destruction of the nation's wealth and the people's savings, has converted that policy into public action. That the business world has been prompt to respond as best it could to the opportunity thus created is manifest in the fact that already nearly 60 per cent. of industry is under permanent code. Another 20 per cent. probably will be under code within the next few weeks, and the remainder as promptly as reasonably representative and effective organizations can be established in those industries or industrial groups which are presently without satisfactory organization.

But the problems of trade associations and their code authorities have only begun. The most important and the difficult problems lie ahead in the field of industrial code administration. Associations vested with responsibilities for code administration must develop, if they do not already have, reasonable facilities for fact finding, investigations, inspections, audits, education of members of industry, provision for adjustment and arbitration of complaints, and the adjudication of appeals. Under many of the codes, industries must develop standard methods and classifications of cost accounting, and methods and forms of statistical report. The activities of code government into which industrial organizations have been suddenly plunged include legislative, executive and judicial functions. It is not to be expected that the trade associations will have uniform or universal success in meeting these new obligations. It is rather to be expected that both the trade associations and the National Recovery Administration will join in the continuing and hopeful effort of improving the efficiency and extending the facilities of the American trade associations and their code authorities.

### Organization of Code Administrations

Broadly speaking, there are two divisions of code administration:

First: Deliberate and orderly planning of industry, relying upon industry education and upon the desire of the vast majority of competitors to deal fairly among themselves and with those dependent upon them for employment.

Second: The so-called "administration of compliance," based upon complaints of violation of codes or of industrial disputes arising thereunder.

The first is constructive and relates to all industry members. The second is remedial and, in general, relates to the pathological fringe in each industry which is not content to deal fairly with fair-dealing competitors or with labor or with the public, but seeks opportunity for special and often unfair advantage. The administration of compliance under codes of fair competition may be generally divided into three classes, including:

First: Complaints of non-observance or prescribed wages and hours of labor, or other labor provisions;

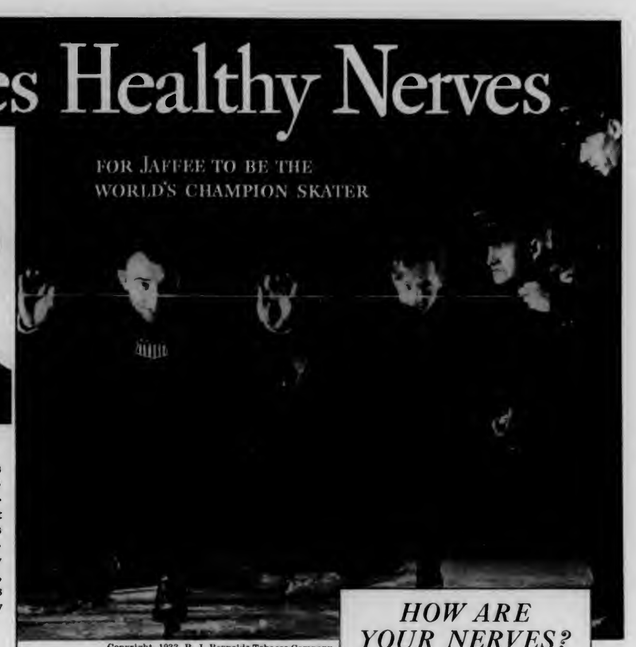



# It takes Healthy Nerves

FOR JAFFEE TO BE THE WORLD'S CHAMPION SKATER

**IRVING JAFFEE**

**Winner of 1,000 medals and trophies, including 3 Olympic Skating Championships, Jaffee has brought the highest skating honors to the U. S. A. Asked recently if he was a steady smoker, Jaffee said, "Yes, but that goes for Camels only. I have to keep my wind, you know, and healthy nerves."**



Copyright, 1933, R. J. Reynolds Tobacco Company

## *Steady Smokers turn to Camels*

You've often seen his name and picture in the papers—Jaffee, the city-bred boy from the U. S. A. who beat the best Olympic skaters that Europe had to offer, and became the skating champion of the world! Speaking of speed skating and cigarettes, Jaffee says: "It takes healthy nerves and plenty of wind to be an Olympic skating champion. I find that Camels, because of their costlier tobaccos, are mild and likable in taste. And, what is even more important to a champion athlete, they never upset the nerves."

Change to Camels and note the difference in your nerves...in the pleasure you get from smoking! Camels are milder...have a better taste. They never upset your nerves. Begin today!

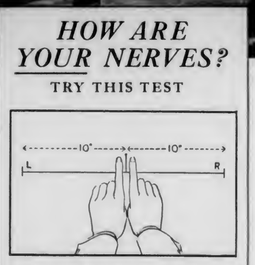
**IT IS MORE FUN TO KNOW**

**Camels are made from finer, MORE EXPENSIVE tobaccos than any other popular brand.**

**CAMEL'S COSTLIER TOBACCOS**

*HOW ARE YOUR NERVES?*

TRY THIS TEST




Draw a line 20 inches long on the edge of a newspaper. Stick a straight pin in the exact center. Place a forefinger on either side of the pin. Close your eyes ...try to measure off quickly the distances by moving both hands at the same time. Have a watcher stop you when you reach the edge. See if both your fingers have moved the same distance. Most people try this at least six times before both hands come out evenly.

***Frank Crilley (Camel smoker), famous deep-sea diver, completed the test on his second try.***

*NEVER GET ON YOUR NERVES*

*NEVER TIRE YOUR TASTE*

Second: Trade practice complaints;

Third: Complaints involving jurisdiction and often competitive controversies between industries and trades.

But the greatest opportunity for associations is in that development and administration of industry which for lack of better phrase, I term "industry planning," with all that it implies in industry stabilization, balance of production and consumption, security of employment, avoidance of preventable wastes, encouragement to technological advance and improvement (where improvement is vastly needed) in the processes of marketing and distribution.

**An Experiment Becomes a Demonstration**

Code government under the National Recovery Administration has been described as an experiment. But it is more than that. It is fast becoming a demonstration. Those who believe that nothing ought ever to be tried for the first time will, of course, find no good in this undertaking. Those, however, who believe that the uncontrolled competitive process in modern business is needlessly harsh on employer and employee alike, that this harshness is not compensated by commensurate public benefits, and that it can be tempered by the establishment of reasonable controls under public sanctions, will find good in the act. Those who believe, as I do, in the fundamental capacity of American industry for intelligent courageous and honorable self-regulation will find in the act much good, much promise and much hope.

The National Recovery experiment is, itself, not a cure-all. It is seeking, however, to do more than relieve the symptoms of the depression. It is seeking to remove causes. The extent to which it succeeds is, perhaps, now dependent largely upon government, but ultimately will be dependent upon industry, on trade associations and their code authorities. It already has had the visible effect of inspiring more men to do their thinking for themselves rather than as heretofore buying it ready made. Those of us with large industry responsibilities who are close enough to industry to understand its facts and problems; and yet far enough away to view them in a fair perspective of valid public interests, are not so much concerned whether the National Recovery undertaking fits the economic textbooks as whether and how it can best be made to work. The plan of industrial self-regulation under the Recovery Act affords the greatest potential chance in our national history for a combination of sound industrial programs and right persons and right attitudes to make them work. That is the problem for which industry and trade associations will supply the solution.

**Opportunity and Obligations of Associations**

Perhaps I can define the opportunity and the obligation imposed upon associations no more clearly than in the language in which six months ago I submitted to the Lumber and Timber Products Industries the proposed Code of Fair Competition, subsequently approved by the President, under which these industries today are operating:

"The National Industrial Recovery Act offers to the forest products industries the most promising opportunity yet afforded,—or likely to be afforded,—for orderly and effective self-government. It is an emergency plan. If it works it will continue. But it is much more. What is going on in America, as I view it, is a gigantic struggle between socialism and regulated individualism. Uncontrolled individualism as manifested in the past decade has failed. If regulated individualism likewise fails the obvious alternative is socialism in some form, with its supplanting of individual initiatives and its suppression of individual rights.

"There is more at stake than that. I do not believe that regulated individualism will fail. If it fails it will be because direct government regulation, which ultimately is necessarily political, will have supplanted industrial self-regulation. The National Industrial Recovery Act gives industry not only the opportunity for self-regulation but, what is more important, the enforceable means of making it effective. No great industry is acting wisely which does not promptly respond to the Nation's challenge or which does not deliberately, courageously and in good faith seek to establish in this country the right, the effectiveness, and the public dependability of industrial self-government.

"If we keep our heads, if we don't try to run before we walk nor permit others to persuade us to do so; if we don't expect too much; if we sturdily withstand the stampede of bogies and hobgoblins; if we do our part courageously; and if we seek for ourselves only the same consideration that we could accord to others, these things will work out all right.

"Of that I am confident. A great opportunity confronts American industry,—and a solemn duty. Upon its outcome depends the livelihood of millions of people; and the opportunity to prosper, of every industry. It is a task for honorable men. Statesmanship is finding out which way God Almighty is going and then getting things out of His way."

# Accepting Gift Cigars A Criminal Offense

The gift of $50 boxes of cigars to employees of our Federal Government during the Christmas season caused Ewing Y. Mitchell, Assistant Secretary of Commerce, to return his gift box to the donor and also to issue an order to the members of his department to do likewise.

"I do not think it good practice," Mr. Mitchell informed the donors, "for a Government official or employee to accept gifts, even of small value, from those with whom he has business relations or with whom he may have business relations."

In his order Mr. Mitchell stated that such gifts were made to "influence favorable action by those who receive them and that such object is, to a greater or less degree, obtained in a large percentage of the cases."

"I certainly would not have received the cigars," Mr. Mitchell asserted, "had I been in a private position. I regard the matter as extremely important, although the present instance may not seem of large proportion. These gratuities generally are not gifts through virtue of friendship and their purpose is to influence the recipient."

Mr. Mitchell's order said it was a criminal offense for any Government worker to accept anything designed to influence his decision on any question. Such a recipient may be fined three times the value of the gift, and sentenced to prison for three years.




Made for pipes

. . . by folks who certainly ought to know how to make pipe tobacco. They ask you to try Granger.

*A sensible package*
*10 cents*

Granger Rough Cut

*—the tobacco that's* MADE FOR PIPES

© 1933, Liggett & Myers Tobacco Co.

### Bayuk Phillies Under Arctic Ice

ON EXHIBITION in one of the display windows in the reception room at Bayuk headquarters is a tin of twenty-five Phillies which was carried across the Atlantic Ocean to the Arctic Ocean, under the Arctic ice and back to Bergen, Norway, on board the "Nautilus," the submarine used by the Wilkins-Ellsworth Trans-Arctic Submarine Expedition. As part of the display there is an affidavit certifying to that fact, signed by Hubert Wilkins, commander of the expedition.

Jersey City Tobacco Co. is meeting with pronounced success in its promotion campaign on Bayuk products, assisted by Bayuk Salesman C. W. Wright.

Territorial Manager B. W. Burnside is en route to Pittsburgh to assist the N. Rice Cigar Co. in spreading the gospel of Bayuk Phillies in that sector.

Better than ever Bayuk Phillies are progressing in Buffalo, where the distributor, Kearney-Lehmann Co., opened the New Year with a drive, aided by Territorial Manager J. P. Given and his assistant, E. T. Clifford.

In addition to Harry S. Rothschild, president; A. Jos. Newman, vice-president in charge of sales; Harry Wurman, vice-president in charge of manufacturing; and Neal D. Ivey, advertising counsel, as noted in the last issue of The Tobacco World, addresses at the annual Bayuk sales convention were made by Samuel Bayuk, H. L. Hirst and Louis Kramer.

Present from the sales department were Joseph L. Sims, B. W. Burnside, E. C. MacAllister, G. C. Munson, Leo M. Tighe, F. B. Muller, Roy Barkman, John J. Snyder, G. L. Branzell, C. L. Steffens, A. C. Roy, C. O. McClure, Floyd Nagell, J. P. Given, H. D. Soyster, Roy D. Harris, J. Unger, P. T. Morris, Harry Catlin, Joseph H. Floersheimer and Charles Cox, as well as Branch Managers Fred Brown, Abe Brown, V. G. Sheller, E. Sharrock, John T. Rynn, John P. Sweeney and M. F. Westfall.

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David F. Morris, associated with Charlie Bond as tobacco agent for the Philippine Government, at 15 William Street, New York City, was in town last week with glowing reports as to the demand for Manila cigars throughout the country, and is highly optimistic as to the outlook for 1934. Dave was quite elated about the increase in Manila cigar imports for November and believes that the December figures when released will disclose another 50 per cent. increase over the same month of the previous year.

## Trade Notes

Abe Caro, Optimo ambassador, was in town last week conferring with the local distributors on plans for increased sales for 1934.

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The G. H. P. Cigar Co. is working steadily in order to keep the demand supplied for their El Producto and La Azora, following a splendid volume of orders for the holiday season which exceeded their expectations.

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The Royalist factory, on North Second Street, is experiencing a splendid demand for their brand following the holiday season, which has kept the factory running with practically no shutdown right through the usual first-of-the-year lull.

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Gus Lorber, factory representative for Geo. Zifferblatt & Co., manufacturers of the Habanello brand, who makes his headquarters in Cleveland, Ohio, was a visitor at factory headquarters last week conferring with Mr. Zifferblatt on plans for 1934, which they expect to top 1933 by a wide margin.

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John Wagner & Sons, local importers and distributors, 233 Dock Street, report demand holding up remarkably well on their brands following the holiday season. In fact, orders continue to come in in such volume that they haven't been able to realize that the holiday rush is over.

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W. L. Fenton, representing the Little Cigar Department of the P. Lorillard Co. in this territory, is always "on his toes" and has a splendid distribution and sale of his products here. Mr. Fenton reports that business is good and looks forward to 1934 with every expectation of it being very much better than 1933.

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James Heaney, representing the American Cigar Company, was in town last week, promoting the distribution and sale of Antonio y Cleopatra cigars throughout Philadelphia territory. Yahn & McDonnell Cigars are the local distributors of this brand and they report a good demand for this brand.




# BAYUK BULLETIN

VOLUME II. JANUARY 15, 1934 NUMBER 1


## PHULOFAX
### (*The Retailer's Friend*) SAYS

Well, how many of those New Year Resolutions are we keeping so far? Stick to it, fellows . . . the first eleven months are the hardest!

—o—

Don't forget . . . Christmas wraps off all cigars. Don't keep your 1/40ths until next July . . . sell 'em now . . . you can buy in July for July. Maybe the buyer of a 1/40th Christmas wrapt cigars will buy another box now . . . put up a sales talk, you progressive retailers, and at least try to sell 'em. —o—

Mr. Dealer, did your inventory show some sleepy movers . . . a few dead items . . . some products which won't improve with age? Put the skids under them right NOW and get rid of 'em! —o—

When are you figuring on getting your 1934 increases, Mr. Salesman? Last three months of 1934? Didja ever tackle getting the big increases the FIRST THREE MONTHS and then if you have to coast a little (and you shouldn't) do it the last three months? —o—

Are you a salesman to your 482 accounts or are you Sales Manager of 482 accounts for the Products you sell?

—o—

Don't fear competitive brands but respect competitive brands . . . don't knock competitive brands . . . don't be *too* solicitous of how competitive brands are selling . . . you've got a man's-size job looking after the health of your own brands.

—o—

J. O. K. inquires, "I certainly hope there'll be an increase in consumption of cigars in 1934. What do you think, Phil?" Answer: If all we folks in the cigar game do is to HOPE for bigger cigar consumption, there won't be any . . . let's go out and do our bit to INCREASE cigar consumption. We can do it . . . BOOST cigars, but set a good example by SMOKING CIGARS YOURSELF!

—o—

The jobber who is going to make the best showing in his business in 1934 is the jobber who found out the most about his business in 1933—and wasn't afraid to face facts.

—o—

B. O. G. writes, "Is there any possible way of my ascertaining if I got my share of the cigar sales in my territory last year? I mean what per cent. of the total per cent of total cigar sales did I get? Can you tell me?" Answer: Where have you been the last couple of years, B. O. G.? Sure you can . . . will answer by mail.

—o—

Yours truly wants to heartily thank each and every one who sent him a Christmas or New Year Card. Fellows, I sure am grateful for your expressions of appreciation of my humble efforts.

*Phil M. Phulofax* D.B.I.

**Associated with* BAYUK CIGARS, INC., *Philadelphia—Makers of fine cigars since 1897*

## MEMOIRS OF ALEX SMART

### *Super Salesman Solves Distribution Problem*

*Alex Smart, like all great generals, can obey orders on occasion as well as issue them. In his preceding installment Alex described how the boss instructed him to "see each and every one of these seven accounts," and how Alex followed instructions to the letter. In this chapter we again learn the truth of the old adage: "There's no pleasing some people," and hear for the first time of the Smart Plan for obtaining distribution.*

"Well, Mr. Smart, how did you find things?" was the greeting from my Head Salesman Boss.

"Great," replied I. "I'm going to like that territory . . . good hotels and not tiresome train jumps."

"How were the customers' stocks . . . how did you find business . . . let's look over your orders," said the H. S. B.

"Orders—Orders—what Orders? I didn't get any orders," came back I. "You instructed me to *see* each and every one of the seven accounts . . . I caught each and every one in and saw each and every one. I followed instructions . . . you said your firm wanted business . . . that's natural but you didn't instruct me to get orders . . . you said *see* the customers . . . you never murmured a word about *selling* the customers."

And then he remarked, "I guess I'm wrong, Mr. Smart . . . but I was right when I said you were a man in a million. Your brain is notty . . . it has, in fact, two 'nots' in it . . . it's *not* big enough and what there is of it is *not* used enough. What reason shall I state for accepting your resignation?"

Cripes . . . one minute I have a job with him and the next minute I haven't and the next second, he asks me why. And he told me, before he seduced me into going with him, that maybe after a week or so, he'd recommend me for a promotion to Assistant Salesmanager. How I had been tricked! But, quickly, I saw the inner workings of his plot . . . I was too smart for him . . . with me out of the way, he'd work for that job himself. Well, he could work for it—I wouldn't. Do you blame me for telling him I wouldn't resign but that I'd quit? And quit I did!

### *You Can't Down a Good Man*

You will recall that when I first decided to benefit some manufacturer by consenting to be employed by him that I was going to write quite a few of the manufacturers and when virtually all had hastened to express their happiness at opportunity to get me, to pick out the most advantageous offer . . . I was switched from that policy by reason of being practically shanghaied into going with the firm whose Head Salesman I met at the hotel. Well, now I intended to adopt my first plan and so I prepared a letter and had copies of it run off on the typewriter and mailed a copy to about 10 manufacturers, retaining the original letter for my own record so that I would have knowledge of what I said in the copy. I addressed the President of each Company and not the General Sales Manager, as the latter guy might not want me with his Company knowing that he'd have real competition to hold his own job if his firm got hooked with me.

My letters were very brief as they should have been . . . I admitted that I was a salesman . . . salary and expenses desired and that I would go anywhere. I considered it a waste of time to go into details as to my age; years of experience; why I thought I could sell the specific products of each manufacturer to whom I wrote, or my willingness to permit my salary to be set after I demonstrated my value as a business getter. I figured that if I was ready to put up my time against a manufacturer's money, that was a 50-50 break. If I had confidence in any manufacturer, he had to have confidence in me right from the start . . . if we didn't stay together he lost his money and I lost my time, which is my money. Right?

Will believe to my dying day that I must have mis-directed most of the letters and forgot to put a return address on, because I only received two replies. But fate is always good to smart people and these two letters came from the very two firms whom I wanted to afford a connection with me.

Very deliberately I analyzed each firm from every personal angle . . . finally agreed with myself to go with one, and then tossed a coin for final decision and hopped the rattler to talk turkey with the other.

With a fast representation of how good I was, spread on a little thick at times to show how to build up a sales talk, this manufacturer landed me on his sales force. He was the whole works in his organization. Told me twice he had no General Sales Manager . . . no doubt with the purpose in mind of holding that out as bait for me to go with him.

### *How To Get Distribution*

He requested me to go to a town about 100 miles away and work with his jobber's salesmen there for two weeks. This jobber had just taken on this manufacturer's line and had no distribution. "Easy pickings," thought I, "for if the jobber's salesmen are any good at all, with my able assistance, we'll get distribution all right, all right."

Got into the town a little late on Monday . . . too late to go out with jobber's man, and spent part of day chinning with the jobber on all the topics under the sun. This jobber impressed me as being pretty dumb 'cause after two or three hours of smoking and talking he asked me what firm I was with and what were my plans. I coached him on how to put my manufacturer's brand over and told him that I trusted he had good salesmen equal to the task, and that I would go out with his men and observe if they really knew how to sell. After telling him that in simple ABC language, he still wanted to know what I was there for . . . terrible the thickness of some folks' cranium.

Put in a real full day next day with one of his salesmen and left him about 2:30 P. M. to go back to the hotel to write some letters to my firm. I had the situation sized up properly in a jiffy . . . what my brand needed was some newspaper advertising. The dealers were saying they had no call for the brand but would buy if they did have a call. Presto! Create the call by advertising and then take orders from the dealers.

**In his next installment "In-again-out-again Alex" tells how the Boss received his suggestions for a sure-fire, double-action distribution plan. If you have followed the *Memoirs* so far, perhaps you can guess. If you haven't been reading these illuminating essays, your education has not only been neglected; it's positively moth-eaten. Let Alex Smart show you how a big time modern supersalesman does it—in his next chapter.—THE EDITORS.**

(*Continued in next column*)

## DON'T OVERLOOK THE GALS

A wide-awake Mid-west cigar merchant reports good sales of five-packs to women. Oh no, the gals aren't taking to cigars; they buy 'em for hubby—or the boy friend, perhaps.

When Mrs. Jones comes in for a package of her favorite cigarettes our wide-awake merchant flashes a five-pack on her. "Here's a neat little pack of five of Mr. Jones' favorite cigars. Wouldn't you like to surprise him with one?" Often Mrs. Jones becomes quite a steady purchaser.

Or perhaps he has a new brand to introduce. The selling line is a little different. "Mrs. Jones, here's a new cigar I'd like Mr. Jones to try. I think he'll like it. It comes in this handy little pocket case for only a quarter. Would you . . .?" Often Mrs. Jones would. And quite frequently *Mr.* Jones comes in for some more of the same.

## CHRISTMAS LESS THAN 12 MONTHS OFF

Three hundred-odd days from now it will be Christmas again. Father's Day is only six months away. Memorial Day, according to our almanac, comes on May 30th. Labor Day is set for September's first Monday.

So what?

So, what are you doing about building a mailing list to take full advantage of the golden opportunities for box sales offered by these holidays, as well as birthdays and other festive occasions? Now is the time to begin noting down names and addresses, favorite brands, "next-of-kin," birthdays and other information about your regular customers. A good mailing list, like Rome, isn't built in a day.

BAYUK BRANDS BUILD BUSINESS

**Bayuk Philadelphia Perfecto**
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

### Tom Allely Passes Away

THOMAS A. ALLELY, well-known cigarette and tobacco salesman in this district, passed away at his home, 131 Haddon Avenue, Collingswood, N. J., on December 28th, following a short illness. On December 17th Tom was doing some electrical work in the basement of his home in preparation for the holiday festivities when he received a slight shock which caused him to fall from the ladder, fracturing his collarbone and ribs. Later septic poisoning developed, which resulted in his untimely death.

Tom was district representative for the Christian Peper Tobacco Co., St. Louis, at the time of his death, and had been instrumental in obtaining splendid distribution and sale in eastern Pennsylvania, southern New Jersey, Delaware, Maryland, District of Columbia and Virginia for Listerine cigarettes, Wellington and Del Monte smoking tobacco, and the other fine products of the Christian Peper Co.

Early in Tom's business career he had been associated with the Falk Tobacco Company, later with the Tobacco Products Corp., and still later with the Union Tobacco Co.

Tom was one of the best liked salesmen in this territory and had a host of friends who esteemed him highly for his fine sense of fairness in all his business relations, and he will be sadly missed by all who knew him. He was active in the civic affairs of his home town and was the founder and past president of the Crescent Republican Club there. He was a member of Apollo Lodge, F. and A. M., of Philadelphia, the Tall Cedars of Lebanon, the Elks, and the Tobacco Salesmen's Association.

Funeral services were held on January 2d from his late residence in Collingswood, with interment in Evergreen Cemetery. He was fifty-five years old. Surviving him are his widow, Helen; one son, Harold; two brothers and two sisters.

### Kentucky Markets Reopen and Close

Governor Ehringhaus, of North Carolina, declared the burley market holiday at an end on January 7th, following the close of the markets early in December because of dissatisfaction over prices obtained, and the markets reopened on Monday, January 8th, but dissatisfaction was immediately expressed as to the prices again prevailing and markets in Lexington, Ky., were promptly closed again.

First sales at Lexington indicated a price trend of around $12 a hundred pounds, practically the same as in December, and the minimum price figure set in the burley marketing agreement signed the previous week.

At Richmond prices of around $12.50 to $13 were indicated and growers who expressed themselves seemed satisfied. Those at Carrollton shouted down the auctions before a definite price trend could be learned.

An average price of 11 cents a pound was obtained for tobacco sold between 9 A. M. and 1 P. M. on the burley market at Abingdon. Prices were about the same there as when the market was closed in December.

---

A. Jacobson, well-known city salesman, has become associated with Geo. Zifferblatt & Co., effective January 1st, and will promote the sale of Habanellos in Philadelphia in the future. Mr. Jacobson was formerly associated with the Congress Cigar Company here, and later with the firm of Frings Bros. Co.

## Under Billy Penn's Hat

Paul Brogan, vice-president of Yahn & McDonnell Cigars, has been confined to his home with a severe cold for the past two weeks, but is expected to return to his desk today.

---

William Lakin, factory representative of Waitt & Bond, Inc., is spending some time among the retailers here promoting the distribution and sale of the new and improved Blackstone Junior and other sizes of the Blackstone line, with good results. Yahn & McDonnell, local distributors of the brand, report a fine increase in demand for the Panatela Extra size, since the new price of two-for-fifteen-cents was established a short time ago.

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Frank Flanigan, well-known cigar salesman, became associated with M. Marsh & Son, Wheeling, W. Va., on January 1st as factory representative for that firm in eastern Pennsylvania, except Philadelphia, and is now making a tour of his territory boosting the distribution and sale of Marsh products with considerable success. Frank is well known in this territory, having been previously associated with the Mazer-Cressman Cigar Co., the H. Sommer Co., Inc., and Otto Eisenlohr & Bros. For the past few months Mr. Flanigan had been doing missionary work for the Marsh firm under the direction of their sales representative, W. A. Copple.

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You can always depend on seeing an attractive and attention-arresting window display in the M. J. Dalton store windows at 617 Chestnut Street, and last week John Flanigan, the genial manager of the stand, had a figure of an English squire in the window rocking back and forth and with a satisfied smile of contentment patting a pocketful of those good Marcello cigars. This display attracted a vast number of window-shoppers, and according to the sales records a goodly number of them found their way inside the store and bought Marcellos.

Another attractive window at this stand last week displayed the Mint Perfecto, another good local five-cent brand, with good results.

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### "L'Africana" First Time on Air

WITH Rosa Ponselle and Giovanni Martinelli heading the cast, Meyerbeer's opera, "L'Africana," was broadcast for the first time from the Metropolitan Opera House over combined coast-to-coast NBC red and blue networks last Saturday. "L'Africana," carried to the radio audience in its entirety, through the courtesy of the American Tobacco Company, was not performed by the Metropolitan Opera Company last year and never has been heard on the air from the famous opera house before.

Tullio Serafin conducted the opera, which was sung in Italian, and Milton Cross and John B. Kennedy filled the time between the acts with a narration of the stage action and reminiscences of Metropolitan Opera stars and events. Over eighty stations broadcast the Metropolitan series sponsored by the makers of Lucky Strike cigarettes.



## News from Congress

(Continued from Page 6)

substantial foreign markets if economic relationships within the United States are to be brought into easy balance, including tobacco and other agricultural products, machinery, automobiles, etc., some of which might continue to carry protection.

In the next grade would come those industries which on the whole have shown the power to sustain themselves against foreign competition without assistance, which employ large numbers of people and which turn out satisfactory products at reasonable prices. During the present emergency, however, these industries would be protected against any marked increase in foreign competition.

Continuing along this line, the subsequent grades would include those industries which are of succeedingly less importance to the economic welfare of the country, winding up with a group held to be not adapted to the American economic environment.

On the basis of this classification, and possessed of power to make changes in duties, the President, under the proposed program, could develop a long-term commercial policy for the country, including the negotiation of reciprocal agreements with other governments, recent attempts to do which have failed of success because of the inability to develop "trading points."

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### Condossis Files Schedule

The Condossis Tobacco Co., New York City, which was placed in involuntary bankruptcy some months ago, filed a schedule of assets and liabilities in New York City last week, disclosing liabilities of $45,334 and assets of $225,495, including stock in trade, patents and copyrights of $150,000.

## Program for Tobacco Growers

(Continued from page 8)

year, including rental and benefit payments, will be fully 50 per cent. larger than the returns last season, despite the inferior quality of the 1933 crop in some districts. On the same basis, it is expected that the total returns for dark air-cured tobacco will be more than 50 per cent. larger than the returns last season. The dark air-cured types include Green River, One Sucker and Virginia sun-cured. The fire-cured types include Kentucky and Tennessee dark fire-cured, Henderson stemming and Virginia fire-cured.

I have attempted to sketch in broad outlines the situation generally and with reference to particular types of tobacco. We believe that a sound program has been evolved for tobacco growers. Making these fundamental adjustments of supply is the most effective weapon in the hands of the grower with which to achieve better prices. In the past, individual growers have been unable to make such adjustments until prices declined to very low levels, as their neighbor would increase production to profit by their reduction.

MURIEL
CIGAR
5¢
Full Size
Long Filler
Exceptional cigar quality for a nickel
Other sizes
Longfellows . . . . 3 for 25¢
Perfectos . . . . . 10¢
Aristocrats. . . . . 2 for 25¢
Mfd. by P. LORILLARD CO., INC.

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Established 1886

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

OUR HIGH-GRADE NON-EVAPORATING

CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

## Classified Column

**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

PYPECIGAR:—46,284. For cigars. December 30, 1933. Alles & Fisher, Inc., Boston, Mass.

CIGAPIPE:—46,285. For cigars. December 30, 1933. Alles & Fisher, Inc., Boston, Mass.

GLEN ROYAL:—46,282. For cigars. November 22, 1933. Consolidated Litho. Corp., Brooklyn, N. Y.

LUDGATE:—46,283. For cigars. November 22, 1933. Consolidated Litho. Corp., Brooklyn, N. Y.

### RENEWAL REGISTRATION

EL PRANO:—46,821. For cigars, cigarettes and tobacco. Registration by Webster-Eisenlohr Inc., New York, N. Y., December 27, 1933. (Originally registered on February 9, 1900, by Otto Eisenlohr & Bros. N. Y., predecessors to Webster-Eisenlohr Inc.)

**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

.....

Name.....

Street No.....

P. O.....State.....

"What a welcome visitor THE TOBACCO WORLD must be to wholesalers and retailers!

"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

27649
T55t

FEBRUARY 1, 1934

VOLUME 54 No. 3

LIBRARY RECEIVED FEB 6 - 1934 U. S. Department of Agriculture

# THE TOBACCO WORLD

13

2

COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
*Cincinnati, Ohio*

**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
*Chicago, Ill.*
*Detroit, Mich.*
*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 FEBRUARY 1, 1934 No. 3

*The TOBACCO WORLD has signed the President's agreement and is operating under NRA Code, gladly and wholeheartedly co-operating to the fullest extent in the Administration's effort to promote industrial recovery.*

▲

EVER hear the old classic tale of the battle that was lost for the want of a horseshoe nail? Ever know a man who neglected a cold that developed into fatal pneumonia? Ever watch a business go slowly but surely to pot because its Micawber-like owner was always waiting for something to turn up, instead of doing something to cure what was wrong with the business? Those are some of the questions we are prompted to ask cigar people after we have done some thinking over the year recently closed and a few of its immediate predecessors. If you think those questions, as applied to the present condition of the cigar business, are destructive of the best interests of that business, go ahead and sue us, as Eddie Cantor would say. But, if you take our word for it that, lamenting the sad decline of an honorable industry, we are actuated solely by motives of helpfulness, you will read along to discover what thoughts could have inspired the questions in the opening sentences of this editorial.

It was a remark of a cigar man that started the train of thought. He said that the cigar business had probably hit bottom because 1933 showed a decline of only a little over 2 per cent. in cigars, as against a drop of 16 or 17 per cent. in 1932. He blithely took for granted that the curve would begin to bend in an upward direction in 1934. When we asked what was the basis of his confidence, his reply was that the cigar business would automatically recover with business generally. If that is the basis of his planning, we know what is going to happen to his business. And so do you.

Cigar men proved during last year that they can do things when they are virtually compelled to do them. One good job they did was the formulation of their code, and a remarkably good job that was. Another of their accomplishments was their record of victories in legislation affecting tobacco.

IF THEY had been forced to face a sudden staggering drop in cigar consumption, maybe they might have done something about that, too. Here's what we are driving at. To be sure, a decline of two and a fraction per cent. might be construed as an encouraging sign, when it is compared with greater decreases in preceding years. But the cigar business would never get anywhere if everybody in it followed that method of reasoning. The inescapable fact is that during the last four years cigar sales dropped off to the tune of 33 1/3 per cent. And it is no defense when you blame this on the depression. Cigarettes decreased only about 9 per cent. And there is a difference between the two situations. The one-third decrease in cigar sales spelled a one-third decrease in cigar smoking. But the less than one-tenth decrease in machine-made cigarette sales was accompanied by an actual increase in cigarette smoking, the "roll your own" phenomenon more than making up the discrepancy.

Perhaps it would have been a good thing for the cigar business if this big slump had occurred at one fell swoop, in one year, instead of being spread over four years. The cigar people, who have shown that they can beat a situation when they are forced to do it, might then have done something, say in 1930, and the business would be in a better condition right now. As it is, they have allowed the loss of a horseshoe nail to handicap them in their battle for sales. They have allowed a cold to develop to the point where pneumonia is threatened. Like Micawber, they are waiting for a general business recovery to bring back their business automatically.

Towards the end of 1932 a movement was started for the promotion of cigar smoking. By the early spring a plan had been formulated, and the wide-awake men in the industry quickly pledged to do their part in its furtherance. But evidently there were not enough wide-awake men in the cigar business, because the program was never started. It is known that some stayed out because they believed the big fellows would be selfish and gather in the best results from the campaign. Of course, they would be selfish. So would the little fellows. That's business. But the foundation of the selfishness of everyone, big and little, was laid in the simple fact that each could profit from a revival of cigar smoking. It is a matter of simple arithmetic that, as the customers grow in any line of business, there is a simultaneous improvement in the chance for sales of every individual engaged in that business.

Some cigar men cried about the way smokers had been converted to the cigarette. They are probably the same men who try to sell their own cigars while smoking cigarettes. Ever see a felt hat manufacturer wearing a derby? Do you think Lawrence Fisher, president of Cadillac, drives a Chrysler? That spectacle of a cigar man smoking a cigarette is an exhibition that should give anyone pause. If you ask us, it is an example of the world's worst in business intelligence. Harsh words, me lads, but the present status of the cigar business demands harsh words if it is to be properly described.

Suppose the cigarette people did cut into the ranks of the cigar smokers. By the same token, the "roll your own" practice cut into theirs, but did you hear them crying about it? They kept on after business just the same, with the result that they showed a nice gain (nearly 8 per cent.) last year over 1932, and they

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

are starting out this year with the determination to get back, if they can, to their all-time high mark, set in 1930. And did the cigar people ever do anything to create an entirely new market for their product as the cigarette people did when they successfully added all womenkind to the ranks of buyers and prospective buyers?

OUR advice to the men in the cigar industry is to do something for themselves, and to do it right away. It would be a mortal sin not to follow up the organization work made necessary in the formulation of the code, by the operation of a definite plan to re-educate the public to the truth that "a good cigar is a *smoke.*"

# How Many "Roll Your Own" Cigarettes?

## No Accurate Figures, but Here's one Guess

SMOKERS of the United States consumed between 40,000,000,000 and 55,000,000,000 roll-your-own cigarettes in the fiscal year ended June 30, 1933, between two and one-half and three times the number smoked in the twelve months ended June 30, 1931, reports the *Wall Street Journal.*

Consumption of the hand-made cigarettes in the latter year was between 17,800,000,000 and 19,500,000,000 cigarettes. In the year ended June 30, 1932, between 36,632,000,000 and 46,700,000,000 cigarettes were smoked.

These figures are obtained by analysis of the Government's tax receipts on sales of cigarette paper packages, together with sales of non-taxable packages, those containing not more than twenty-five cigarette papers.

Actual number of roll-your-own cigarettes consumed cannot be gauged with entire accuracy because the number of papers contained in the non-taxable package varies between sixteen and twenty-four.

On the basis of the larger figure, however, one-half as many of the hand-made cigarettes were consumed in the last fiscal year as the 109,000,000,000 machine-made cigarettes.

Several years ago there was little demand for the smaller, non-taxable packages of papers, and a considerable number of the larger, taxable packages were sold; more recently, however, one or more of the smaller packages have been given free with the tobacco used for this purpose as smokers began to seek economy.

The number of non-taxable packages of papers used jumped from 211,492,481 in the 1931 fiscal year to 1,261,276,051 in the 1932 fiscal year, and to 1,915,575,912 in the last fiscal year.

On the basis of sixteen sheets to a package, the 1931 total of non-taxable packages provided wrapping for 3,383,879,696 cigarettes; on the twenty-four sheet basis it provided for 5,075,819,544 cigarettes.

Totals for the succeeding years, on the same basis, show 20,180,416,816 and 30,270,625,224 cigarettes respectively in 1932 and 30,649,214,592 and 45,973,821,888 in 1933.

To these totals must be added the ready-made cigarette consumption represented by the sale of papers in taxable books. In 1933 this amounted to about nine billions, converting the $918,552.84 of government tax receipts from this source at the rate of one hundred sheets for one cent. The Federal tax is one-half cent for package of more than twenty-five, but not more than fifty sheets; one cent on books of more than fifty, but not more than one hundred sheets, and one and one-half cents on books of more than one one hundred sheets, but not more than one hundred fifty sheets. The maximum number allowed under each tax division usually is placed in the packages making the tax, in effect one cent for one hundred sheets. The Government obtained $1,645,241.95 from this tax in the 1932 year, and $1,441,826 in the preceding year.

The following table shows the number of cigarette papers used in each of the last three fiscal years, with the number of non-taxable books converted at the maximum rate of twenty-four sheets per book, and tax collections converted at the rate of one hundred sheets per cent:

| Year | Taxable papers |
|---|---|
| 1933 ..... | 9,185,528,400 |
| 1932 ..... | 16,452,419,500 |
| 1931 ..... | 14,418,260,000 |

With upwards of 35,000,000,000 cigarettes apparently diverted from the ready-made market into the roll your own, the Federal Government suffered a loss of some income which would otherwise have been available to it.

Thirty-five billions of ready-made cigarettes would mean revenue taxes of $105,000,000. These cigarettes would have contained about 88,000,000 pounds of tobacco. The hand-made cigarettes contain less tobacco than the machine-made smokes.

Estimating about one-fourth less tobacco used in the roll-your-own cigarettes, the increase in consumption in this field in 1933 over 1931 required about 66,000,000 pounds of tobacco.

Tax on this kind of tobacco is eighteen cents a pound, so the apparent increase added only $11,880,000 to the Government's revenue, or $93,120,000 less than would have been obtained had a similar increase taken place in machine-made cigarette smoking.

This applies only to the 1933 increase over 1931. The 1932 gain over the preceding year would have shown somewhat similar results.

Cigarette manufacturers have, for some time, maintained that the consumption of cigarettes has not declined during the depression, although Government statistics showed lower output for machine-made cigarettes. This, the companies insisted, was due to diversion into the roll-your-own smokes, a contention which appears to be amply supported by statistics.

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### BROWN & WILLIAMSON HUMIDOR

The Brown & Williamson Tobacco Corporation is offering smokers an attractive humidor box for cigarettes. The box, designed by E. C. Sloan, of Chicago, is executed in green and black molded Textolite. Although the General Electric Company has announced the delivery of some 100,000 of these boxes, the Brown & Williamson Tobacco Corporation has estimated that approximately one-quarter of a million boxes will be distributed during the campaign.



### LIGGETT & MYERS EARN $16,731,175

THE Liggett & Myers Tobacco Company, manufacturers of Chesterfield cigarettes, Granger smoking tobacco, and many other well-known tobacco products, reports net income for the year 1933 of $16,731,175, a decrease of only $6,344,037 from the net of $23,075,212 earned in 1932. After charges, Federal taxes and 7 per cent. preferred dividends, this is equivalent to $4.84 a share (par $25) on 3,136,939 shares of combined common and common B stocks, as compared with net of $23,075,212, or $6.85 a share, on the common and common B in 1932.

Since cigarettes sold for the greater part of the year 1933 at $5.50 per thousand, which is generally understood to be the point at which profits for the manufacturer vanish, it is believed that the Liggett & Myers Company has enjoyed a substantial increase in the sale of their cigarettes during the past year in order to show such a substantial figure for net gain.

The 1933 report shows that during the year the company purchased 8373 shares of its own preferred stock at a cost of $1,124,263. This is the first time that such purchases have been made.

Current assets of the company as of December 31, 1933, were $157,742,218, including United States Government and other securities amounting to $57,100,755, and cash of $12,625,706, while current liabilities amounted to $4,851,276. At the end of 1932 current assets were $160,663,914, including $59,399,626 United States Government and other securities, and cash of $20,727,861, while current liabilities at that time were $6,790,004.

Last week directors of the company declared the regular quarterly dividend of $1 a share on the common and common B stocks and an extra dividend of $1 a share on both classes of stock, both payable March 1st to stockholders of record February 15th. A similar extra dividend has been paid at this time for the past several years.

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### CIGARETTE ADVERTISING

MOST of those who have tried their hands at cigarette advertising think it is the toughest baby in the whole sales promotion family. . . . Until the psychologists give the cigarette advertiser a new vocabulary he is badly stymied in describing the merits of his particular brand. . . . Wouldn't it be a revolting spectacle if Mr. Hill and Mr. Toms and Mr. Reynolds got snarled up in a quarrel over which of their cigarettes does us the least harm?

And so, until psychology furnishes a lot of new words and ideas about taste, the cigarette makers must continue to favor the good old Sock-in-the-Eye school of advertising. They must be spectacular and repetitious. . . . I should like to believe that the big cigarette advertisers have begun to realize that so far as the taste appeal is concerned they are pretty much all in the same boat.

For a long time their copy has indicated that their main problem is the problem of Attention. They are getting their best effects by associating their brands with subjects prominent in public thought. If Mr. Hill is interested right now in convincing smokers that his cigarette is popular with the best people, why shouldn't he tie up with grand opera and symphonies?

Note.—The foregoing are extracts from an article, "In Defense of Mr. Hill," by Allan P. Ames, in the current issue of *Printers' Ink.*

### OLD GOLD'S NEW CAMPAIGN

LAKE PLACID, Northern Lights, Lumber Jack, Beaux Arts 1934, Everglades, Agua Caliente, Miami Beach—those were the titles of the exhibits in the recent fashion window display on Old Gold cigarettes in the Schulte store at Forty-second Street and Fifth Avenue, New York City. The display preceded the P. Lorillard Company's intensive campaign of promotion on Old Golds scheduled for February. Outstanding window and counter displays, a new release in the newspapers and a change in the radio program will be features of the campaign.

Dick Powell, young star of the musical films, has been signed for three performances as singing master-of-ceremonies for the new Old Gold series with Ted Fiorito's famous West Coast orchestra, opening Wednesday, February 7, at 10 P. M., E. S. T., on a nation wide WABC-Columbia network from San Francisco. It will be the first nation wide radio series for Powell, whose sudden rise to picture fame in a cycle of screen successes has been the talk of Hollywood lots.

Selected from 140 competitors in a series of auditions, Kenneth Niles, youthful Californian, will announce the new series. He will succeed David Ross, whose commitments in the East prevented his going to California for the weekly broadcasts.

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### BAYUK PHILLIES' BUSY PLANTS

WH. SCHULTE has joined the sales force of Bayuk Cigars, Inc., and has been assigned to the Wisconsin-Minnesota territory. He was formerly with the company's Indianapolis branch. . . . Fred Brown, manager, and thirty-three members of his New York branch sales organization visited the factory recently, attended an enthusiastic sales meeting presided over by A. Jos. Newman, vice-president in charge of sales, enjoyed luncheon in the cafeteria, made a tour of the plant, and returned to New York. An outsider who merely got a look at the men remarked that the scintillating sales performance of the New York branch was no longer any source of wonder to him. . . . Zolla Bros. Co. is placing Phillies everywhere throughout the Chicago territory, in conjunction with Bayuk salesmen. . . . Eli Witt Tobacco Co. is putting Bayuk Phillies in the choicest dealer locations in West Palm Beach, Jacksonville, Miami and Tampa, assisted by B. W. Burnside and R. S. MacDermott, Bayuk salesmen. . . . H. Clyde Davis, of the Old Dominion Tobacco Co., Bayuk distributor in the Norfolk territory, was a recent visitor at headquarters. . . . Orders? Well, the factories are working on two shifts.

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The General Cigar Co., Inc., has appointed the J. Walter Thompson Co., New York, to handle all advertising of its White Owl cigar. This agency has been handling the radio advertising on White Owl.

# Whelan Unit Contols Grocery Chain

IT WAS learned last week that working control of the Acker, Merrall & Condit Company, New York City, grocery chain store business, dating back to 1820, and which was famous during the pre-prohibition era as a leading purveyor of the choicest grades of liquors and tobaccos, has passed to the United Profit-Sharing Corporation, the one corporation saved to George J. Whelan when the depression and the collapsing stock market of 1929 carried most of his enterprises into other hands.

Associated with Mr. Whelan and United Profit-Sharing are prominent Wall Street interests, including several individuals who are indirectly connected with National Distillers Products Corporation, leading manufacturers of spirits. Mr. Whelan will not personally take an official position with Acker, Merrall & Condit, but his close associate, William Baeder, former $100,000 a year executive of United Cigar Stores Company of America, which Mr. Whelan formed and developed with the Duke-Ryan interests, will be vice-president of the reformed distributing concern.

### Work of Advisory Nature

Despite his advanced years and his ill health of two years ago, Mr. Whelan, who was invited into the situation by the Wall Street group because of his knowledge of merchandising, is taking hold of the project with the same enthusiasm that marked his activities when he built the United Cigar Stores and operated it until 1911. Since that date he has never held an official position with any company and his work with Acker, Merrall & Condit will be of an advisory nature.

Some basis for the belief in Wall Street that National Distillers Products Corporation interests are concerned in the Whelan deal is seen in the fact that two of the directors of Acker, Merrall & Condit have their offices at Redmond & Co., Stock Exchange firm of 48 Wall Street, which has been prominently identified with National Distillers and other liquor companies. In addition, E. A. Correa, one of the partners of the law firm of Breed, Abbott & Morgan, counsel for National Distillers, has taken an interest in the chain system. Llewellyn Powell, president of Acker, Merrall & Condit, is located at the Redmond office, as is Benjamin Gordon, a director.

The interest of United Profit-Sharing Corporation in the chain system is believed to be between one-third and one-half of the outstanding stock. Smaller blocks of the stock are held by the individuals in the deal.

### Chain to be Nation Wide

Mr. Whelan was reticent when questioned yesterday for details, but said that the group would open as many stores as could be efficiently operated. The chain will be nation-wide in scope and it is his hope to build a system which will rank in importance with United Cigar Stores. The company will not be a grocery chain, but will handle various other articles, the emphasis to be placed on high-grade liquors and tobacco. It is possible the system will be divided into four geographical divisions through the formation of subsidiaries, for more efficient operation. Mr. Baeder, who was the real estate executive in the United Cigar Stores organization, is expected to supervise operations.

Mr. Whelan made it clear that his entrance into the undertaking is because he believes this is the opportune time to launch a merchandising chain. As far as he is concerned, it will not be a Wall Street venture, but a strict business operation in which he sees the chance to make some money.

His success as a merchandiser may be gauged from the fact that about thirty years ago he was running a little cigar stand in a hotel at Syracuse. He came to New York and opened a little cigar store which on its first day took in $3.47. This was the beginning of the United Cigar Stores Corporation, which was destined to do a gross annual business of $100,000,000.

### Once Worth $10,000,000

His close associates were James B. Duke, whom he regarded as the greatest business man who ever lived, and Thomas F. Ryan. It was on the death of these two that the burden of too many business duties began to weigh on the former cigar salesman. His own personal fortune is believed to have been $10,000,000 at its best, and from this it dwindled to a very low figure when the depression carried United Cigar Stores and other concerns to receivership.

United Profit-Sharing Corporation was one of the smaller of the various Whelan enterprises, formed in 1914 to engage in the business of redeeming coupons, certificates and other advertising devices. It has no funded debt. What remains of the former Whelan fortune is principally invested in this company.

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### Pennsylvania Class A Production Increases

FIGURES just released by the Internal Revenue Bureau disclose that 74,118,245 cigars, made to sell for five cents or less, were manufactured in Eastern Pennsylvania during the year 1933. This is a decided increase over the previous year, when the output was 56,737,090.

In Western Pennsylvania during 1933 there were 2,924,495 Class A cigars manufactured as compared with 2,417,025 for the year 1932.

Class B cigars manufactured in Eastern Pennsylvania during 1933 totaled 396,600, a decrease of 141,260 as compared with the previous year. Class C cigars manufactured in 1933 were 8,836,220, as compared with 10,256,184 in 1932. These classes were not manufactured in Western Pennsylvania in 1933.

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### Philip Morris Consolidated Report

Philip Morris Consolidated reports for 1933 net income of $243,204 after expenses, taxes, etc., equivalent, after dividend requirements on the 7 per cent. class A stock, to thirty-two cents a share on 482,596 shares of common stock. This compares with $415,173, or sixty-eight cents a common share in 1932. Profit and loss surplus on December 31st amounted to $3,369,414, against $3,556,387 on December 31, 1932.

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### Scotten Dillon Dividend

Scotten Dillon increased the dividend on the $10 par common stock from thirty cents, paid November 15, 1933, to forty cents quarterly, payable February 15th to stockholders of record February 6th.



# Why Salesmen Must Believe Their Own Sales Story

**By WILLIAM BEST**

**Vice-President, General Cigar Company, Inc.**

IN 1934 we plan to profit by a lesson which was brought home to us in 1933. This lesson is something which concerns not only cigars—it seems to me—but low-priced, branded convenience items of all sorts. With the small article, too often all thought of the dealer's attitude toward the product is overlooked. On what are called "pick-up" items, salesmen are too prone to talk nothing but demand, demand, demand—leaving the dealer vaguely thinking that there is some magic in it.

Worst of all, such selling leaves him vague as to the quality of the article. No wonder the dealer has got into the salesman's habit of thinking, somewhat fatalistically, "Either it will sell, or it won't sell." Seldom, if ever, will he stop to think, "Either I must *do something* to sell it, or it won't sell."

And a great many manufacturers have fallen into the dealer's and the salesman's way of thinking. The final result of such thinking is just this: If a producer goes out and spends a great deal of money advertising an article and still it isn't in demand, his money is wasted. This simply shows the absurdity of attempting to put the whole burden of selling upon the advertising campaign. It takes respect for and belief in the product, implanted in the dealer's mind, in order to cash in on the advertising placed behind that product.

We have always insisted that our salesmen believe their own sales story. Results show us whether the salesmen believe or don't believe that the product has the highest quality at its retail price, that it will show the retailer a good profit, and that if it is properly displayed it will prove a real money maker for the dealer. But, beginning this year, we are impressing salesmen—through talks and through messages planned to appear in our house magazine—with the necessity of taking time to promote the article itself to the dealer. Mailing pieces may help to sell the dealer on the value and merit of an article, but we believe the job can best be done by the salesmen.

The salesman should build confidence by getting the dealer to try the article himself. Dealers actually welcome some selling knowledge—will remember it and pass it on. The importance of inducing dealers to sell quality in an effort to back up advertising can hardly be overemphasized.

The dealer is always ready to lean on the advertising, secure in the belief that the article will sell, because it is being advertised. The salesman comes to his store well informed as to advertising schedules, even equipped with tear sheets to show the dealer the full weight of national efforts behind the brand. Also he brings the dealer certain point of sale helps to tie in with the published appeal to consumers. But all these are not enough. We have found that the article will not sell as it should, unless the dealer is completely informed and sold as to its inherent merit.

Suppose the dealer has a customer for a standard popular five-cent cigar. That customer likes the cigar and smokes it regularly, until he goes into another store, doesn't find it handy and switches to something else. Perhaps he stays with this other brand and the first dealer has lost a steady customer. Now, suppose the first dealer had been thoroughly sold on this brand. Noting an interested customer, he might say, "That's a real good cigar; 100 per cent. grade 'A' filler from vintage crops, and a silky Sumatra wrapper. It's one of my best sellers."

It takes but a little information about a product to implant in the customer's mind belief in its quality and an appreciation in its real merit. And a customer sold in that way on quality, becomes a quality, rather than a price, buyer. He is likely to become a permanent customer of the dealer who takes the pains to sell him on specific quality facts.

That little difference is of paramount importance with competition and the times what they are. Circumstances have given the smoker many real good five-cent cigars. In fact, I don't believe there has ever before been a time when there were so many real good five-cent cigars on the market. As regards any number of small, low-priced articles, I am convinced that a similar situation exists.

Oftentimes there can be little difference in the advertising weight behind small articles sold under the various brand names. The advantage, I am inclined to believe, is likely to swing to those products which make a real effort to improve behind-the-counter selling. Not only is it important to sell the dealer on the merit of your product, it is also necessary to convince him of the mutual benefits to be derived from proper display.

Display space is at a premium and dealers cannot be bludgeoned into granting it. The dealer may have something he wants to push. All right; let him push it. But it is possible to sell him on the wisdom of putting nationally known brands on the counter beside it. The well-known brand serves to advertise the brand the dealer wants to push, puts it in a more attractive light, and both get a break.

We have found by test that a brand like "White Owl" sells twice as well when prominently displayed on top of the case as when out of sight. A demonstration of this fact, beside the dealer's favored article, is likely to make him wonder whether he is smart to put our brand out of sight, where 50 per cent. of the people who might buy it, won't buy.

And here is another thought that dealers are likely to be open-minded about. If the wanted brand is out of sight and if the customer hesitates to ask for it on a purchase involving a small sum, does the customer actually switch to something else? Or does the customer temporarily accept a substitute and go next time to a store where he can conveniently pick up what he wants? We don't know. But the dealer doesn't know either. The answer is that he *may* lose a customer, and that is something that no right-minded dealer wants to do.

The dealer, it seems to me, has as much at stake and stands to gain as much as the manufacturer through more intelligent promotion of many low-priced articles. In the first place, no matter how small the article, quality is and always will be a big selling factor. In the second place, it is appreciation of the inherent merit of the individual product and ability to sell it on that basis which distinguishes the merchant from the storekeeper. In the third place—in fact, there are a chain of benefits for the dealer—the merchant who does a good selling job and wins steady customers on small articles is the one whose advice carries weight on larger purchases. It is just another case of "look out for the nickels and the dollars will take care of themselves."

Bigger sales must have better outlets, and the latter will have to be made by giving more thought to the dealer. At the seat of the trouble is the salesman who thinks only of getting orders—the salesman who leans too heavily on the power and glory of demand-creating advertising and doesn't like to take time to sell the merit of the product. It is he who starts the dealer thinking along the same line. And if the advertising doesn't do what salesman and dealer think it should do, there is no push behind the product at the counter.

The lack of logic in such an impasse is apparent when we consider the indisputable fact that a product of real value will sell—that is, it can be sold—without advertising. But, if the salesman and the dealer tell a consistent story of quality, and if that story is true, then the advertising carries that product along to bigger things. And the profitable job that can be done by advertising still remains as big as you want to make it.

The foregoing is reprinted, with permission, because of its interest to retail tobacconists and salesmen who would not be likely to read it in the January 25th issue of *Printer's Ink*, where it originally appeared.

# Increased Payments for Burley Growers

IN RESPONSE to numerous protests over the prices being received for Burley tobacco, including a joint resolution of the House and Senate of the Kentucky General Assembly memorializing the Government to take some action to relieve the situation, the Agricultural Adjustment Administration has announced that growers who agree to reduce acreage next year will receive increased adjusted payments if the average price for the current season is below 12 cents.

Production adjustment contracts are now being signed by Burley tobacco growers. Under these contracts, "the first adjustment payment" is based on the net sales value of the 1933 crop. Growers who agree to reduce their production 33⅓ per cent. are, under the terms of the contract, to receive a payment of at least 10 per cent. of the value of their 1933 crop, and growers who agree to reduce 50 per cent. are to receive a payment of at least 15 per cent. of the net sales value of the 1933 crop.

J. B. Hutson, chief of the Tobacco Section, pointed out that the first adjustment payments provided for in Section 2 of the contract are "minimum payments" and will be increased if the entire Burley crop averages below 12 cents.

"The rates of adjustment payment," Mr. Hutson said, "were based on a 12-cent price and are minimum payments. If the average price for the current season should be as low as 10 cents, the rate of the adjustment payment for those growers who reduce 33⅓ per cent. will be increased from 10 per cent. of the net sales value of the crop to 25 per cent. and the rate for those who agree to reduce 50 per cent. will be increased from 15 per cent. to 30 per cent. If the market price should average 11 cents per pound, the rates of the first adjustment payment would be increased to somewhere between the minimums provided in the contract and the increase stipulated in the event of a 10-cent average."

The Tobacco Section has calculated that, with the market prices ranging between a 10-cent and a 12-cent level, the average return from the 1933 crop to growers who reduce 50 per cent, next season will be between 14.25 cents and 15.05 cents for the entire crop and the average return to the growers who reduce 33⅓ per cent. will be between 13.35 and 13.80 cents. The lower amount is calculated on a 10-cent average and the higher amount on a 12-cent average and in each case these represent minimum return on basis of the present program. These advanced returns would include rental and adjustment payments which would be distributed before the opening of the next marketing season.

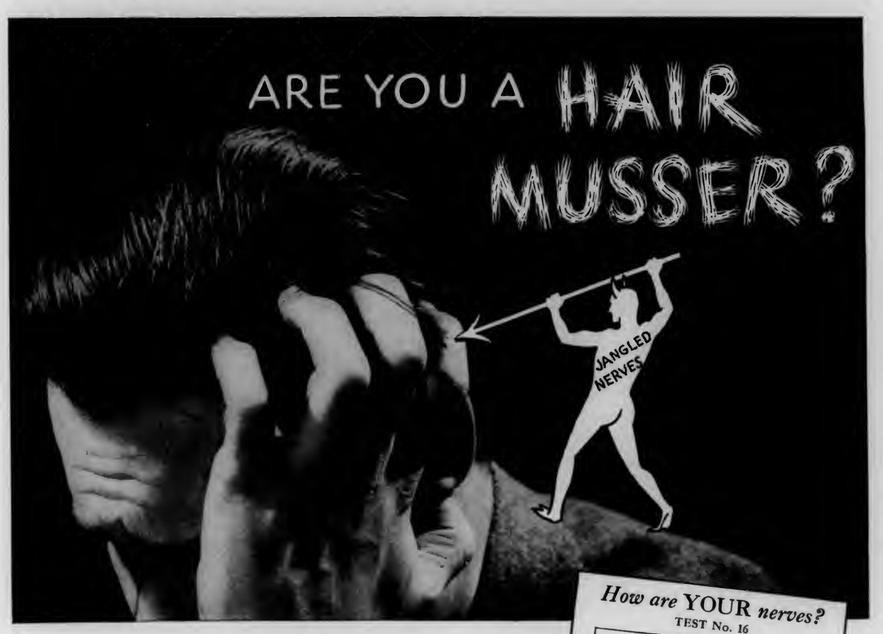
Under the terms of the production adjustment contract, these adjustment payments are to be made not later than September 15th, provided that the proof of performance by the producer is submitted prior to August 15, 1934. Certification of the contracts will begin in July, Mr. Hutson said, and with proper aid from producers it is hoped that the disbursal of the adjustment payments will begin in September.

"This does not mean that this is a guaranty of a specific price to the individual grower," Mr. Hutson emphasized. "Obviously the ordinary differentials as to grade and other factors now prevail as they have in the past seasons. It is still up to the grower to choose the best time to market his crop. But should any drastic inequities result in prices during the movement of the crop, we shall consider equalization payments to participating growers to remedy such inequities."

Regardless of the price fluctuations between a 10-cent average and a 12-cent average, Mr. Hutson asserted that the prospects were such as to definitely assure the Burley tobacco-producing areas that the total value of the 1933 crop would be between 55 and 60 million dollars. This would mean that growers would receive approximately parity prices for that portion of their crop which moves annually into domestic consumption. The open market prices would prevail for the remainder of the crop. The income from the 1933 crop, including rental and adjustment payments with respect to purchasing power, will be greater, with possibly three exceptions, than that of any crop of record. During the past two years, the gross value of the Burley tobacco crop has been approximately 39 million dollars for each year.

The Tobacco Section is making an intensive study of the prices of the Burley markets. The average on all markets for the past week was near the 10-cent level, according to an analysis of the reports received from the sales supervisors on all the markets. The season's average is slightly under 11 cents, the official estimates reveal.



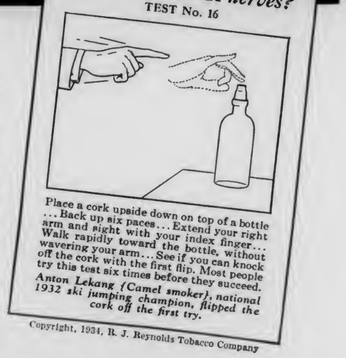

**Those untidy habits come from jangled nerves**

It's bad enough to look untidy—ill-groomed.

But it's twice as bad when you think that those nervous habits are a sign of *jangled nerves*... a friendly signal that says, "Find out what's the matter."

So, if you catch yourself mussing your hair, biting your nails, chewing pencils—or suffering from any other of those countless little nervous habits—

**Get enough sleep and fresh air—find time for recreation. Make Camels your cigarette. You can smoke as many Camels as you please, for Camel's costlier tobaccos never jangle your nerves.**


How are YOUR nerves?
TEST No. 16
Place a cork upside down on top of a bottle ... Back up six paces... Extend your right arm and sight with your index finger... Walk rapidly toward the bottle, without wavering your arm... See if you can knock off the cork with the first flip. Most people try this test six times before they succeed.
Anton Lekang (Camel smoker), national 1932 ski jumping champion, flipped the cork off the first try.
Copyright, 1934, R. J. Reynolds Tobacco Company

*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

**CAMELS** — *THEY NEVER GET ON YOUR NERVES!*

**TUNE IN!** *CAMEL CARAVAN featuring Glen Gray's CASA LOMA Orchestra and other Headliners Every Tuesday and Thursday at 10 P. M., E. S. T.—9 P. M., C. S. T.—8 P. M., M. S. T.—7 P. M., P. S. T., over WABC-Columbia Network*

Under the terms of the marketing agreement with the principal buyers of Burley tobacco the buyers are committed to purchase at least 260 million pounds of the current crop at an average price of not less than 12 cents per pound. The agreement also provides that "each contracting buyer shall purchase in the usual and ordinary manner, except as to prices provided in the agreement against the requirements of such contracting buyer as though this agreement were not in effect, and shall not buy unduly of the high grades in order to defeat the purpose of this agreement or concentrate its purchases in any geographical region."

An analysis of the prices and quality of purchases is now being made by the Tobacco Section to ascertain the manner in which the purchases have been made under the marketing agreement. A preliminary study of the situation, Mr. Hutson said, reveals that if the contracting buyers are making their purchases under the terms of the marketing agreement, other buyers in the market not signatories to the agreement are paying prices materially below those being paid by the contracting buyers.

The signatories to the marketing agreement have been asked to provide data with respect to their purchases and prices.

Under the terms of the marketing agreement if the average price paid by any contracting buyer is less than the agreed price, such buyer is required to pay to the Secretary of Agriculture "for each pound of Burley tobacco so purchased by it the difference between the average price so paid by it for all purchases and the average price so required to be paid by such contracting buyer."

## A. A. A. PRODUCTION CAMPAIGNS

PROGRAMS of the Agricultural Adjustment Administration to bring 1934 production of basic agricultural commodities more nearly into line with effective demand are well under way, a review of the status of these programs indicated. Producers of cotton and tobacco are signing agreements to reduce 1934 production. Wheat growers and producers of cigar type tobacco already have signed such agreements and in return for making the stipulated reductions, they are receiving adjustment payments.

Sign-up campaigns for bringing 1934 production more into line with consumption requirements are under way for five kinds of tobacco. These are flue-cured, Burley, fire-cured, dark air-cured, and Maryland. A program for cigar-leaf tobacco was inaugurated in 1933 and will be continued in 1934.

Preliminary reports from the flue-cured tobacco region indicate that approximately 90 per cent. of the growers already have signed agreements to reduce their 1934 production. The sign-up campaign will continue for a time in order that every grower may have an opportunity to sign agreements. Flue-cured tobacco is grown in North Carolina, South Carolina, Virginia, Georgia, and Florida. Growers who take part in the program agree to reduce 1934 production by 30 per cent. of their base. Rental and benefit payments to these growers will approximate $17,000,000.

The Burley tobacco sign-up campaign is about 60 per cent. completed. Reports indicate that growers are signing agreements at a satisfactory rate. Growers pledge to reduce their 1934 production by 33 1-3 per cent. or 50 per cent. of their base. The Burley program is being conducted in Kentucky, Tennessee, North Carolina, Virginia, West Virginia, Ohio, and Indiana. Rental and benefit payments to those growers who participate will approximate $15,000,000.

The fire-cured tobacco sign-up campaign now under way in Kentucky, Tennessee, and Virginia, is about 60 per cent. completed. Growers are signing agreements to reduce 1934 production by 25 per cent. of their base. Participating growers are expected to receive $1,700,000 in rental and benefit payments.

Dark air-cured tobacco growers in Virginia, Tennessee, Kentucky, and Indiana, are signing agreements to reduce their 1934 production by 30 per cent. of their base. Rental and benefit payments to co-operating growers will approximate $715,000. The sign-up campaign is a little less than half way through on account of starting later than the other major tobacco sign-up drives.

An adjustment program for producers of Maryland type of tobacco in Maryland has been announced and the sign-up campaign is just getting under way. The program seeks to reduce production chiefly of the lower grades. Rental and adjustment payments to participating growers will approximate $140,000.

Payments to growers who take part in tobacco adjustment programs so far have been made only to cigar-leaf tobacco producers. Growers of the other kinds of tobaccos for which programs are being put into effect will receive their payments in the near future as stipulated under the terms of their agreements.

Up to January 23, payments to co-operating cigar-leaf tobacco growers totaled $1,519,273. The payments by States were as follows: Connecticut, $183,384; Florida, $63,106; Georgia, $21,390; Illinois, $267; Indiana, $1472; Massachusetts, $92,064; Minnesota, $12,011; New Hampshire, $2288; New York, $23,223; Ohio, $280,898; Pennsylvania, $431,315; Vermont, $2420; and Wisconsin, $405,428.

## "HEALTHY NERVES" CAMEL THEME

OFFICE workers, salesmen, housewives, secretaries, motorists—smokers from every walk in life—are brought face to face with champions and personalities of the athletic world as they say "double check" on the modern need for healthy nerves. That, in essence, is the dramatic theme of the new Camel cigarette campaign just released by the R. J. Reynolds Tobacco Company. Advertisements will be dominating in space, and are scheduled to appear frequently in a nation-wide campaign so as to take full advantage of the responsive newspaper audience.

In a typical advertisement of the new series, Eddie Woods, the All-Around Champion Cowboy from Idaho says: "To have nerves that can take it, I smoke only Camels," and Mrs. Phyllis L. Potter, housewife of Montclair, New Jersey, asserts, "Cowboys need healthy nerves, and, believe me, so do housewives." Mrs. Potter goes on to compliment Camels on their mildness. "I can smoke Camels freely without a hint of jumpy nerves," she says.

As in previous educational work dealing with the "nerves" question, the makers of Camels continue to lay emphasis upon the costlier tobaccos used in Camels, stating prominently in every advertisement that Camels are made from finer, more expensive tobaccos than any other popular brand. That accounts for the mildness of Camels and the Camel slogan—"They never get on your nerves."

LUCKY STRIKE
"IT'S TOASTED"
CIGARETTES
LUCKY STRIKE
Copyright, 1934, The American Tobacco Company
THE HEIGHT OF GOOD TASTE
and in Cigarettes too — Taste is Everything
ALWAYS the Finest Tobacco and ONLY the Center Leaves

# Cigars and Cigarettes Increase in December

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for December, 1933, are subject to revision until published in the annual report):

| *Products* | —*December*— *1933* | *1932* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 220,941,685 | 189,934,980 |
| Class B .....No. | 4,222,020 | 3,898,207 |
| Class C .....No. | 46,819,062 | 55,465,964 |
| Class D .....No. | 4,163,726 | 3,897,355 |
| Class E .....No. | 543,747 | 939,479 |
| Total ..... | 276,690,240 | 254,135,985 |
| Cigars (small) .....No. | 12,261,507 | 15,211,707 |
| Cigarettes (large) ...No. | 302,400 | 264,046 |
| Cigarettes (small) ...No. | 7,799,623,723 | 7,319,117,167 |
| Snuff, mfd. .....Lbs. | 2,393,641 | 3,160,691 |
| Tobacco, mfd. .....Lbs. | 19,292,241 | 20,955,090 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*December*— *1933* | *1932* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 3,877,400 | 3,843,225 |
| Class B .....No. | 106,500 | 15,000 |
| Class C .....No. | 81,280 | 96,300 |
| Class D .....No. | ..... | 1,500 |
| Total ..... | 4,065,180 | 3,956,025 |
| Cigars (small) .....No. | ..... | 300,000 |
| Cigarettes (large) ...No. | 30,000 | 40,000 |
| Cigarettes (small) ..No. | 140,000 | 320,340 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*December*— *1933* | *1932* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 15,891,485 | 10,983,280 |
| Class B .....No. | 12,837 | 47,873 |
| Class C .....No. | 9,614 | 25,508 |
| Class D .....No. | 100 | ..... |
| Class E .....No. | ... | 300 |
| Total ..... | 15,914,036 | 11,056,961 |
| Cigarettes (large) ...No. | 200 | 1,104 |
| Cigarettes (small) ...No. | 114,260 | 211,920 |
| Tobacco, mfd. .....Lbs. | ..... | 24 |

### Revenue Collections for December

| *Sources of revenue* | *1933* | *1932* |
|---|---|---|
| Cigars ..... | $781,112.44 | $756,648.71 |
| Cigarettes ..... | 23,401,902.67 | 21,960,082.23 |
| Snuff ..... | 430,855.44 | 568,924.35 |
| Tobacco, chewing and smoking ..... | 3,472,660.04 | 3,772,242.88 |
| Cigarette papers and tubes ..... | 84,440.79 | 72,337.99 |
| Miscellaneous, relating to tobacco ..... | 222.01 | 2,361.52 |

### Withdrawals for Past Decembers

| | | | |
|---|---|---|---|
| 1920 | 506,126,135 | 1926 | 464,575,489 |
| 1921 | 463,663,809 | 1927 | 393,006,532 |
| 1922 | 561,041,853 | 1928 | 411,910,434 |
| 1923 | 491,358,758 | 1929 | 410,862,907 |
| 1924 | 511,276,573 | 1930 | 349,635,250 |
| 1925 | 473,336,217 | 1931 | 304,531,411 |

### Processing Tax Returns

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public No. 10-73d Congress), approved May 12, 1933:

| *Commodity* | *Month of December, 1933* | *Total from July 1, 1933 (Fiscal Year 1934)* |
|---|---|---|
| Tobacco, (tax effective (October 1, 1933): | | |
| Processing taxes | $2,742,672.18 | $2,943,642.71 |
| Import compensating taxes | 30,620.19 | 59,962.79 |
| Floor tax, other than retail dealers | 72,866.83 | 1,720,274.16 |
| Floor tax, retail dealers | 116,956.41 | 222,994.13 |
| Total, tobacco | $2,963,115.61 | $4,946,873.79 |

### PIPE CODE APPROVED

APPROVAL of the Code of fair competition of the Smoking Pipe Manufacturing Industry, effective February 2, was given by Administrator Hugh S. Johnson on January 24. A maximum week of forty hours is provided, with full exemption for employees in a managerial or executive capacity who receive $35 or more per week, emergency repair crews, outside salesmen, and highly skilled workers when engaged in continuous processes. Office employees are permitted a maximum of 42½ hours per week; and forty-eight hours per week is allowed for shipping and packing room employees, engineers and firemen.

The minimum wage is set at 35 cents per hour, with a provision calling upon employers to increase the wages of those receiving more than the minimum.

It is estimated that operation of the Code will give employment to an additional 475 persons.

### TOBACCO SALESMEN ELECT

Elections at the annual convention of the National Board of Tobacco Salesmen's Associations, at the Hotel Edison, New York, January 13 and 14, resulted in the following being chosen as officers for the ensuing year: Abe Brown (Newark branch), president; Elmer W. Bindley (Trenton branch), first vice-president; Joe Freeman (New York branch), second vice-president; Abe Blumberg (Baltimore branch), third vice-president; Harry Sternberg (Newark branch), secretary, and Albert Freeman (New York branch), treasurer. The 1935 convention will be held in Atlantic City, N. J.



# Calendar Year Withdrawals for Consumption

| | *Cal. Yr. 1933* | | —*Decrease* +*Increase* *Quantity* |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| United States .. | 3,689,722,930 | + | 199,182,880 |
| Puerto Rico ... | 56,142,945 | — | 13,853,790 |
| Philippine Is. .. | 186,261,175 | + | 12,294,435 |
| Total ..... | 3,932,127,050 | + | 197,623,525 |
| Class B— | | | |
| United States .. | 30,838,309 | — | 21,187,602 |
| Puerto Rico ... | 3,135,750 | + | 2,944,750 |
| Philippine Is. .. | 196,944 | — | 501,198 |
| Total ..... | 34,171,003 | — | 18,744,050 |
| Class C— | | | |
| United States .. | 572,699,566 | — | 266,231,368 |
| Puerto Rico ... | 779,060 | — | 2,125,040 |
| Philippine Is. .. | 233,570 | — | 71,250 |
| Total ..... | 573,712,196 | — | 268,427,658 |
| Class D— | | | |
| United States .. | 46,123,267 | — | 10,012,118 |
| Puerto Rico ... | 1,000 | — | 3,200 |
| Philippine Is. .. | 2,176 | — | 1,700 |
| Total ..... | 46,126,443 | — | 10,017,018 |
| Class E— | | | |
| United States .. | 5,368,261 | + | 109,488 |
| Puerto Rico ... | ..... | | ..... |
| Philippine Is. .. | 2,752 | — | 35,335 |
| Total ..... | 5,371,013 | + | 74,153 |
| Total All Classes— | | | |
| United States .. | 4,344,752,333 | — | 98,138,720 |
| Puerto Rico ... | 60,058,755 | — | 13,037,280 |
| Philippine Is. .. | 186,696,617 | + | 11,684,952 |
| Grand Total | 4,591,507,705 | — | 99,491,048 |
| Little Cigars: | | | |
| United States .. | 208,448,960 | — | 72,918,041 |
| Puerto Rico ... | 3,274,000 | — | 1,276,000 |
| Philippine Is. .. | ..... | | ..... |
| Total ..... | 211,722,960 | — | 74,194,041 |
| Cigarettes: | | | |
| United States .. | 111,763,441,149 | + | 8,177,552,283 |
| Puerto Rico ... | 3,415,600 | — | 687,440 |
| Philippine Is. .. | 1,476,490 | + | 9,443 |
| Total ..... | 111,768,333,239 | + | 8,176,874,286 |
| Large Cigarettes: | | | |
| United States .. | 2,869,885 | — | 691,213 |
| Puerto Rico ... | 805,000 | + | 252,000 |
| Philippine Is. .. | 8,137 | — | 2,917 |
| Total ..... | 3,683,022 | — | 442,130 |
| Snuff (lbs.)— | | | |
| All U. S. ..... | 36,326,152 | — | 85,852 |
| Tobacco Mfd. (lbs.)— | | | |
| United States .. | 304,902,282 | — | 7,370,767 |
| Philippine Is. .. | 169 | — | 372 |
| Total ..... | 304,902,451 | — | 7,371,139 |

# Review of Foreign Tobacco Markets

CUBA—During the year 1933 Cuba's exports of tobacco and tobacco products were valued at $13,395,306, a slight increase compared with 1932, when they amounted to $12,926,270, states American Commercial Attache Albert F. Nufer, in a report to the Tobacco Division, Department of Commerce. In spite of an increase in value, however, the volume of exports, with the exception of cigars, showed a substantial decline. This decline, it is noted, was apparently more than offset by the improved prices which prevailed for Cuban leaf tobacco during the greater part of 1933.

Exports of tobacco and tobacco products during December, 1933, were valued at $945,726 as against $1,056,183 during the same month of 1932. Cigar exports during the month dropped sharply compared with December last year, due to the strike of Habana tobacco workers, which lasted almost the entire month and paralyzed work in most of the larger cigar factories. While this strike has been settled temporarily, the difficulties which caused it have not yet been definitely adjusted, and there is a possibility of further labor troubles in the tobacco industry.

SUMATRA—According to a report made by American Vice Consul W. M. Chase and released by the Tobacco Division, Department of Commerce, twelve Sumatra tobacco auctions had been originally scheduled for 1933, nine in Amsterdam and three in Rotterdam. Only ten, however—eight in Amsterdam and two in Rotterdam—were actually held.

The crop turned out to be a definitely mediocre one. The companies have not been able to show the full effect of economies effected in the production of the 1932 crop because of expenses incurred in repatriating both European and coolie labor. Finally, due both to the German Governmental decrees, etc., to encourage the use of German grown tobacco in cigar production, and to the decline of use of the cigar in the United States, it is quite possible that the crop is not yet small enough to be covered by present-day demands. The smaller demand situation will, nevertheless, be met to a certain extent by the anticipated 10 per cent. or more decrease in the size of the 1933 crop which will be marketed in The Netherlands next year.

During the entire season, buyers for American account took only 8222 bales as compared with 18,839 during the preceding year. Such a decline in American purchases is calculated to have brought the Deli grow-

(*Continued on Page 17*)

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

CONSIDERATION by the House of Representatives this month of the tax bill prepared by the Ways and Means Committee is expected to bring forth a demand for reduction of the tobacco levies. A double-barreled attack will probably be directed at the present tobacco taxes, for the relief of the cigar branch of the industry and to permit manufacturers of ten-cent cigarettes to compete more easily with the higher-priced brands. The cigarette situation was brought before the attention of the committee during its recent hearings.

Two bills dealing with tobacco taxes have already been introduced in Congress, and will probably be made the basis of any effort to secure relief.

Under a measure prepared by Representative Chapman (Dem.) of Kentucky, the rates on cigars would be $1.50 per 1000 on cigars weighing not more than three pounds, $4 on cigars selling for not more than 5 cents each at retail, $6 when retailing at between 5 and 8 cents, $9 when retailing at between 8 and 15 cents, $12 when retailing at 15 to 20 cents, and $15 when retailing at more than 20 cents. The rates on cigarettes would be $2 per 1000 when weighing not more than three pounds, and $4.80 when heavier. The rate on tobacco and snuff would be 12 cents per pound.

In the Senate a bill has been introduced by Senator Barkley (Dem.) of Kentucky, providing for rates of 50 cents per thousand on small cigars, $1 on cigars selling at not more than 5 cents, $2 when selling between 5 and 8 cents, $5 when selling between 8 and 15 cents, $7.50 when selling between 15 and 20 cents, and $10 when selling in excess of 20 cents. The rate on cigarettes would be $1.50 per 1000, with a tax of $5 on cigarettes weighing more than three pounds. The tax on tobacco and snuff would be reduced to 5 cents per pound.

PROPOSALS of President Roosevelt for a $2,000,000,000 stabilization fund for use in connection with the revaluation of the dollar are seen in Washington as offering an opportunity also for the indirect control by the Government of imports of tobacco and other commodities, where the condition of the domestic producers may demand it.

It is pointed out that if a "superbank" is in effect thus established, the Government could exercise a control over exchange and by delaying or refusing grants for foreign exchange, on the ground of public interest, could compel the greater use of domestic products.

Exchange control measures adopted in foreign countries in recent years, it is said, have served materially to reduce their imports.

No immediate wide advance in the level of prices is seen in the proposal to revalue the dollar at about 60 cents, it being pointed out that for several months the dollar has been heavily depreciated abroad without any drastic change having occurred in domestic prices.

ALTHOUGH salaries paid by the codified industries to officials of their Code authorities are a matter of indifference to officials of the National Recovery Administration, the Government plans to set an example of low salaries by limiting the compensation of administration representatives on the Code boards to probably $10 per day for such time as they may actually be engaged, plus a maximum of $5 per day for expenses.

Announcement of the administration's policy with respect to Code authority remuneration followed the receipt of reports that a number of trades were considering high salaries for authority executives, in one instance the amount being said to be in excess of $50,000 a year.

The question of salary, it was pointed out at the administration, is one for adjustment solely by the interested industries, so far as their members of the Code authorities are concerned, but the Government will consider its representatives on the Code boards to be actuated by a desire to aid in the recovery movement rather than by motives of self-interest.

RESTORATION of the two-cent rate of postage on first class mail for other than local delivery should await the improvement of business conditions to a point where the increase in the volume of letters will offset the reduction in revenue that would ensue, it is urged by Postmaster General Farley in his annual report.

Unless action is taken by Congress to continue the three-cent rate the postage charge will automatically return to two cents on July 1 next.

Defending his proposal for continuation of the present rate, the Postmaster General reported that it had resulted in an additional revenue of approximately $75,000,000 during the fiscal year ended June 30 last. As a result of the reduction of the local rate to two cents last July, however, the additional revenue this year is expected to be about $17,000,000 less.



## CIGARETTES' MAGAZINE INVESTMENTS

SIX MANUFACTURERS of tobacco products were included in the list of 150 leading national magazine advertisers of 1933, as reported in *National Advertising Records*. The figures cover the amount invested by these advertisers in a list of seventy-nine national magazines—sixty-eight monthlies and eleven weeklies and semi-monthlies. It will be noted that all six of the tobacco advertisers are manufacturers of cigarettes, to which the greater part of the copy is devoted.

The report is not intended as a guide to the advertising policies of the companies. An increase or decrease in magazine expenditure over the previous year may mean merely a switch of a portion of a company's advertising appropriation from one type medium to another.

Following is the roster of tobacco companies, arranged in the order of their magazine expenditures:

| | 1933 | 1932 |
|---|---|---|
| Reynolds Tobacco Co. | $2,247,109 | $1,681,475 |
| American Tobacco Co. | 738,653 | 1,521,092 |
| Axton-Fisher Tobacco Co. | 489,832 | 522,600 |
| Liggett & Myers | 444,715 | 966,840 |
| Brown & Williamson Tobacco Corp. | 280,310 | 280,373 |
| P. Lorillard Co. | 132,300 | 129,848 |

The Reynolds Tobacco Co. was one of twelve advertisers investing more than a million dollars for magazine space in 1933. Each advertiser in the list of 150 spent more than $100,000.

### Tobacco Prices Continue Low

Burley tobacco sales on the East Tennessee markets last week continued to average less than $12 per hundred pounds, although sales continued in heavy volume.

Sales reported on Thursday were: Greeneville, 488,994 pounds at $10.71; Morristown, 114,694 at $9.24; Johnson City, 320,044 pounds at $11.91; and Knoxville, 218,182 pounds at $8.27.

The Knoxville market has handled 3,827,630 pounds this season for an average of $9.65.

The Abingdon, Va., market has taken the lead in volume of sales in the Southern Appalachian Burley tobacco belt, the season's total sales being 9,345,002 pounds, bringing an average price of $9.98 per hundred pounds.

### United Stores Dividend

Directors of United Stores last week voted an accumulation dividend of eighty-one and one-quarter cents on the no par $6 first preferred stock, payable March 15th to stockholders of record February 23d. Accumulations will amount to $14.25 a share effective with this distribution.

### New Cremo to Retail at Five Cents

Announcement was made last week that the New Cremo cigar will be priced at $37.50 wholesale less the usual discounts, and to retail at five cents each, and not three for ten cents as formerly.

The brand is henceforth to be known as the "New Cremo" and it will be materially improved in quality and increased in size.

MURIEL
CIGAR
5¢
Full Size
Long Filler
Exceptional cigar quality for a nickel
Other sizes
Longfellows . . . . 3 for 25¢
Perfectos . . . . . 10¢
Aristocrats. . . . . 2 for 25¢
Mfd. by P. LORILLARD CO., INC.

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Treasurer
ASA LEMLEIN, New York, N. Y. ..... Counsel and Managing Director
CHARLES DUSHKIND, New York, N. Y. .....
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo. ..... President
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J. ..... Secretary
E. ASBURY DAVIS, Baltimore, Md. ..... Vice-President
E. W. HARRIS, Indianapolis, Ind. ..... Vice-President
JONATHAN VIPOND, Scranton, Pa. ..... Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

# PHILADELPHIA.

### Grabosky Bros. Take Larger Quarters

GRABOSKY BROS., INC., manufacturers of the Royalist brand, have leased the building at 11-15 North Second Street and will move their manufacturing operations to that location about March 1st.

The success of the Royalist brand during the comparatively short time it has been marketed has been such that the capacity of their present building, 21 North Second Street, is no longer adequate to take care of the steadily increasing demand for their product.

The new building contains five stories and basement, each 64 by 108, and will provide a capacity of 150,000 cigars per day, and is so constructed as to provide an abundance of daylight throughout the building.

With the recent opening of new territories in New York and other sections of the country, the present factory building has been pushed beyond its capacity.

N. E. Becker has recently been added to the selling force and is doing a successful promotion job in Newark and northern New Jersey territory.

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### Tobacco Dealers of Philadelphia Meet

At a meeting of representative tobacco retailers of this city held on Tuesday, January 23d, it was decided by those present to organize an association to be known as the Retail Tobacco Dealers of Philadelphia, Inc., with the stated purpose of becoming affiliated with the Retail Tobacco Dealers of America, Inc., and "a desire to spread harmony throughout the industry and a more thorough consideration of those who make tobacco products their means of a livelihood."

Temporary officers chosen were Harry A. Tint, president; Harold Dean, vice-president; George Jones (Yahn & McDonnell), treasurer, and Sam Greenwald, secretary.

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Benjamin Lumley, representative of the Garcia y Vega factory in Tampa, returned last week from a visit to New York City, where he met with officials of his company and discussed plans for 1934. Ben returned quite elated over the praise he received as to the volume of business he had turned in from his territory during the year 1933 for the Garcia y Vega factory. Garcia y Vegas are distributed here through John Wagner & Sons.

## Trade Notes

Joe Banker and Barton Lemlein, of M. Saks & Co., New York, were in town this week visiting John Wagner & Sons, local distributors.

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John L. McGuerty, of Romeo y Julieta fame, left on Wednesday for Tampa, where he will spend some time before leaving for Havana by plane to visit factory headquarters.

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B. C. Jessa, representing the Heine's Tobacco Co., Massillon, Ohio, was in town last week promoting the distribution and sale of Heine's Blend, a high-grade smoking mixture which is enjoying a good demand here, and distributed by Yahn & McDonnell.

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Otto Eisenlohr & Bros. have moved their office and warehouse headquarters from 1618 North Broad Street, and are now located at 1711 Vine Street, where the new location affords better storage facilities and is more accessible for the central business district.

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The Sun Ray Drug Co., formerly located at 934 Market Street, has moved into larger quarters at 940 Market Street, where the larger window space will permit of a more satisfactory display of their line of tobacco products and druggists' sundries.

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Paul Brogan, vice-president of Yahn & McDonnell, is in Florida, where he is combining business with health measures. Paul is recuperating from a serious cold which confined him to his home for a while a short time ago. He expects to remain in Florida for several weeks.

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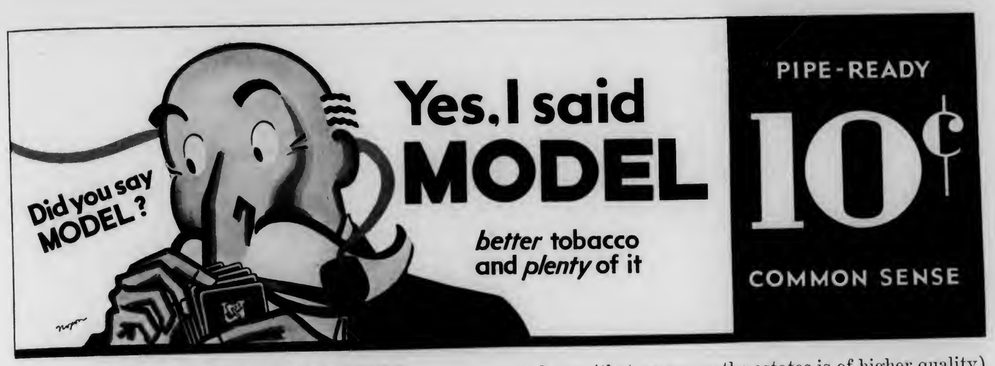
Harry A. Tint, proprietor of the cigar stand at 1420 Chestnut Street, left on Thursday on his annual visit to Tampa, accompanied by Mrs. Tint. The trip will be made by auto, and while in the Florida city enjoying the sunshine and balmy breezes, Harry will visit the manufacturers of those high-grade Tampa cigars which have made his stand famous to the smokers of Philadelphia.






### FOREIGN TOBACCO MARKETS

(*Continued from Page 13*)

ers at least 5,000,000 florins less, to say nothing of the lower prices paid this year for American account.

Not since 1890 has a harvest brought such small receipts as that of 1932. It is understood that the unit cost price of the 1933 crop, to be marketed next year, has been materially reduced. On the other hand, growers are faced with (a) the declining consumption in the United States of expensive cigars, which alone can afford Sumatra wrappers, (b) the attempts of the German Government to force the use of German grown tobacco in the cigars manufactured in that country, although it is expected that this will affect binder material rather than Sumatra wrapper, and (c) the raising of the excise tax on cigars manufactured in this country, which threatened to reduce materially the use of fine quality tobaccos and, consequently, the earning capacity of the plantation companies.

JAVA—During the period of Javanese early history, when the East India Company held dominance, there is no record of tobacco being exported from that country, the European markets having been supplied from other sources, states American Consul Joel C. Hudson, in a review of the Java tobacco industry, released in part by the Tobacco Division, Department of Commerce. Although large quantities were produced by the natives at Kedoe, Bagelen, Banjoemas, Malang, the Preanger Regencies, and elsewhere, it was manufactured into native kerf tobacco and consumed in Java. The so-called culture laws ended many of the restrictions on tobacco growing and a trade with Europe began. At first only native tobacco was exported, but soon it was found unsuitable for the trade and interested parties began to search for better qualities. Eventually, about 1830, someone obtained about a pound of tobacco seed from Manila, despite the severe restrictions there, and this is said to have been the beginning of an improved tobacco cultivation in Java.

One way to gauge the importance of tobacco to Java today is to determine its importance as an export crop in comparison with others. Statistics issued in 1931 indicated that the value of exports of Java tobacco ranked forth, being exceeded by exports of sugar and sugar cane products, tea, and rubber. It is believed that the relative positions would be the same today as they also prevailed during the year 1932. Tobacco differs from the others, however, in that the domestic consumption is greater in proportion. Considerable quantities of the domestic product, as well as appreciable imports, are consumed locally. The inferior native tobacco (that grown on the estates is of higher quality) finds an outlet not only in Java but also in certain European markets where a cheap tobacco is desired. Tobacco is an important commodity in the commerce with the United States, and since the export trade is largely through Holland, American buyers secure Java tobacco at sales there after it has been shipped from Java.

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### WILLIAM H. O'KEEFE DEAD

William H. O'Keefe, 4827 Roosevelt Boulevard, well-known cigar retailer, who has conducted a stand at 28 South Fifth Street for more than thirty-five years, passed away suddenly on Friday, January 12th, while on the Frankford Elevated train en route to his home.

Mr. O'Keefe's store was located in the heart of the old financial district of the city and he had a host of friends and customers among the bankers and brokers of the city.

Funeral services were held at the funeral home of Andrew Ebert's Sons, 258 South Fourth Street, and solemn requiem mass was celebrated in St. Martin's Church on Thursday, January 18, with interment in New Cathedral Cemetery. He was seventy-five years old.

He is survived by one brother in Atlantic City, two sisters in Los Angeles, and a sister in Gloucester.

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### Edward A. Hoffmeister Passes

Edward A. Hoffmeister, well known retired cigar manufacturer and retailer, passed away on Monday, January 15th, at his home, 803 South Sixtieth Street, following a six-months' illness.

Mr. Hoffmeister had been in the cigar manufacturing and retailing business for twenty-five years, and was well known in Masonic circles.

He was a member of Conrad B. Day Lodge, F. & A. M.; St. John's R. A. Chapter, No. 232; St. John's Commandery, No. 4 K. T., and Lu Lu Temple A. A. O. N. M. S.; also Philadelphia Lodge No. 54, Loyal Order of Moose. He was sixty-nine years old.

Funeral services were held from his late residence on Thursday, January 18th, with interment in West Laurel Hill Cemetery.

He is survived by his widow, Mrs. Katharina Hoffmeister.

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Nat Friedland, New York representative, has been elected vice-president of the R. Steinecke Co.

Established 1886

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

OUR HIGH-GRADE NON-EVAPORATING

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

**SWANKY:—46,286.** For cigars, cigarettes and tobacco. January 9, 1934. E. Popper & Co., Inc., New York, N. Y.

**KENT-SHIRE:—46,287.** For all tobacco products. January 13, 1934. George Schlegel, Inc., New York, N. Y.

### TRANSFERS

**KENTSHIRE:—46,022** (Tobacco Merchants' Association). For all tobacco products. Registered April 9, 1932, by George Schlegel, Inc., New York, N. Y. Transferred to Alles & Fisher, Inc., Boston, Mass., January 20, 1934.

**KENT-SHIRE:—46,287** (Tobacco Merchants' Association). For all tobacco products. Registered January 13, 1934, by George Schlegel, Inc., New York, N. Y. Transferred to Alles & Fisher, Inc., Boston, Mass., January 20, 1934.

**VAN REX:—37,692** (United Registration Bureau). For cigars, cigarettes, cheroots and tobacco. Registered August 26, 1912, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., successors to Cigar Label Department of the original registrants, to Deisel-Wemmer-Gilbert Corp., Detroit, Mich., January 23, 1934.

**FLIGHT:**—(United States Tobacco Journal). For cigars. Registered March 26, 1886, by Thoroughgood & Co., Jonesville, Fla., and Janesville, Wis. Transferred by C. B. Henschel Mfg. Co., Milwaukee, Wis., successors to the original registrants, to George Schlegel, Inc., New York, N. Y., January 27, 1934.

### CORRECTED PUBLICATION

**Renewal Registration**

**EL PURANO:—46,821.** For cigars, cigarettes and tobacco. Registered by Webster-Eisenlohr, Inc., New York, N. Y., December 27, 1933. (Originally registered February 9, 1900, by Otto Eisenlohr & Bros., New York, N. Y., predecessors to Webster-Eisenlohr, Inc.)

"What a welcome visitor THE TOBACCO WORLD must be to wholesalers and retailers!

"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

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U. S. Department of Agriculture

FEBRUARY 15, 1934

VOLUME 54 No. 4

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
*Cincinnati, Ohio*

**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
*Chicago, Ill.*
*Detroit, Mich.*
*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol. 54 FEBRUARY 15, 1934 No. 4


*The TOBACCO WORLD has signed the President's agreement and is operating under NRA Code, gladly and wholeheartedly co-operating to the fullest extent in the Administration's effort to promote industrial recovery.*

▲

VIEWING the matter entirely from the outside, we are of the opinion that the 1933 statement of Bayuk Cigars, Inc., is well worth the serious study of everyone in the cigar business. It is documentary evidence of the truth that there is still gold in them thar hills of Product, Price, Merchandising, Advertising. For what there may be in it for the rest of us, let's take a look at the record. Maybe even a quick review, still from the outside, will prompt some of the rest of us to follow the Scriptural injunction: Go thou and do likewise. Without a doubt, such a course would prove a very salutary move for the revival of the cigar business generally.

Bayuk Phillies was a good cigar in 1932. Evidently the buyers of ten-cent smokes thought so, if we are to judge from comparative sales. Yet the company finished up the year with a loss of more than a million and a quarter dollars. To be sure, much of this heavy loss was accounted for by a substantial inventory write-off, but more of it was occasioned by a very perceptible reduction in the market for ten-cent cigars. Bayuk officials decided to widen their market by reducing the price of Phillies.

Please do not misunderstand us. We are not suggesting that others follow that example now. We are decidedly of the opinion that if the Bayuk people had stopped with the reduction, if they had sat back and waited for the new price to increase their business automatically, there would have been an entirely different story told in their 1933 statement.

SO, when we intimate that it might be well for others to "go and do likewise," we are thinking of what followed the price reduction, or perhaps we should say, accompanied it. They did not stop at Product and Price. On the contrary, they inaugurated the most intensive program of Merchandising and Advertising in the long history of the company. They left nothing to luck and the problematical procession of events. They went after the business, what we mean, and they began to get it in the first month of the new program.

When you think over the fact that the unit volume of sales during 1933 was the highest in the history of the company, exceeding the peak years 1927 and 1928—those two fine years in the cigar business—you will not have the complete picture unless you give credit to the company's detailed promotion campaign and its well-conceived advertising, along with the public acceptance of the product and the new price geared down to the wide market.

IF ALL this seems to you like making a great pother about something that everybody knows, if it sounds like a glorification of the obvious, that's all right by us. For that is exactly what it is. Everybody knows that there is a fortune for anyone who puts out a good product, who prices it right, who promotes its sales conscientiously and intensively, and who puts behind it the right kind of advertising. But, in the cigar business, Bayuk was one of the few manufacturers to put that knowledge to work.

It is a statement of the obvious to say that, after a man has made a good thing and put an attractive price on it, he can count on selling it in huge volume if he will see to it that it is prominently on display in the places where it should be on sale, and then skilfully use advertising to send crowds of customers in to buy it.

We are of the opinion that the 1934 cigar business will show a vast improvement if everybody in it will do what everybody knows it will be a profitable thing to do.

THERE is no intention to give the impression that Bayuk had any monopoly on commonsense business operations during the tough year of 1933. If you could examine the programs of the other successful cigar manufacturing companies, you would find a similar lack of magic, a similar absence of secret hocus-pocus, a similar support of product and price with good merchandising and advertising. The reports of the General Cigar Co. and the Consolidated Cigar Corporation, for instance, are other exemplifications of the power of the obvious in the accumulation of profits. The substantial earnings in the last quarter of 1933, and the sales and earnings during the first month of the current year, offer further evidence of the simple truth that business is there if you make what the public wants, if you let them know that you make it, and then make it easy for them to buy it.



EVEN such a hasty and superficial look as we are making at the Bayuk operations in 1933 must embrace the fine work which the company did for the industry as a whole. In addition to the regular promotion plans to stimulate the buying of cigars for Christmas, Labor Day, Father's Day and other holidays, Bayuk spent a substantial slice of its advertising appropriation on its famous "How Long Since You Smoked a Cigar" and other advertisements calculated to prompt men to smoke *some* cigar, not necessarily a Bayuk Phillies.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Burley Sign-Up to Close February 17

WITH 83 per cent. of the Burley tobacco acreage under contracts for reduction in 1934, the Agricultural Adjustment Administration today announced that the sign-up campaign now under way will be closed on February 17th.

Of those growers who have signed Burley tobacco reduction contracts, approximately half of them have elected to reduce production 50 per cent. and the remainder of those who signed are to reduce production by 33 1/3 per cent. Officials of tobacco section of the Agricultural Adjustment Administration stated that during the past two weeks hundreds of growers who signed contracts earlier to reduce their 1934 production one-third, after more careful consideration, have decided to reduce their production by one-half in order to get the larger acreage and adjustment payments.

In commenting on the progress of the Burley sign-up campaign, J. B. Hutson, chief of the tobacco section, said, "It now appears that at least 95 per cent. of the growers will participate in the program. If this number participate, and one-half of them elect the 50 per cent. reduction option and one-half elect the 33 1/3 per cent. option, the initial production allotment under contract would be approximately 220,000,000 pounds. With 5 per cent. of the growers unsigned, the production outside might be as much as 25,000,000 pounds and would result in a total crop in 1934 below 250,000,000 pounds. Such a crop would be the smallest since 1927.

According to reports received Wednesday by the tobacco section from the Burley tobacco region, the percentage sign-up in the various States is as follows: Kentucky, 80 per cent.; Tennessee, 90 per cent.; Indiana, 75 per cent.; Virginia, 92 per cent.; West Virginia, 60 per cent.

In those sections of the Burley Belt in which intense efforts have been made to get the contracts before all growers, practically all of them have signed. There are, however, some communities in practically every State, and, in some cases, entire counties, in which little work has been done. During the next two weeks, the participating and non-participating growers will be listed by townships in each county and the program will be explained to every grower who has not already signed a contract.

# New Opinion in Burley Agreement

BURLEY tobacco growers whose production in both 1932 and 1933 was abnormally low because of drought, flood, hail or storm damage, have been granted an additional option in the Burley tobacco adjustment agreement which will make it possible for these growers to take part in the production adjustment program, according to an announcement from the tobacco section of the Agricultural Adjustment Administration.

Growers in several sections were finding it impossible to take part in the Burley program because of the abnormally small base which they could obtain, because of low production in 1932 and 1933. The purpose of the Administration in offering the additional option is to enable these growers to obtain a base more nearly representative of their farms, it was said.

The new option is offered only to growers whose crops were affected by weather conditions and provides a base which is 70 per cent. of the 1931 acreage and 60 per cent. of the 1931 production. This option may be used only if the producer is able to furnish evidence satisfactory to the county control committee that the abnormally low production in 1932 and 1933 was actually due to drought, flood, hail or storm damage.

A producer permitted to use this new option will be required to submit to his local committee a signed statement setting forth for both 1932 and 1933 the cause or causes of the low production and the extent to which production was reduced because of each such cause. This statement must be approved by the county control committee and will be filed in the state production control office.

The Burley tobacco sign-up campaign closes February 17th. Growers will be given until that date to fill out contracts and to file their requests for permission to use the new option. It was pointed out by officials that if a grower has already filled out a contract in which one of the old options was used, it will not be necessary for him to fill out a new contract to use the new option.

# Listeners to Choose U. S. Tobacco Program

THE RADIO audience now has an opportunity to select the kind of entertainment it wants to hear over an NBC-WEAF network on Saturday evenings at 6:45 P. M., Eastern Standard Time. Sponsors of this period on the air are going to present several totally different types of programs during the next few weeks, and will adopt as permanent the one which meets with the greatest response from listeners.

"One Night Stand," a variety show featuring Pick Padgett and Pat Malone, well-known radio comedians, and other entertainers, was the first of the half hour broadcasts heard on Saturday, January 27th.

Subsequent Saturday nights are bringing other performers and other types of programs to listeners from the NBC Radio City studios under the sponsonship of the United States Tobacco Company, sponsors of "The Half Hour for Men," which formerly was heard at this time.

Several different types of shows will be "auditioned" for the listening public before a final selection is made. The decision to invite the audience to sit in on the trial programs was reached after the sponsors of the series had listened to numerous private auditions and eliminated all but the most promising offerings.



# Cigar Code Approval After March 8th?

IN VIEW of the gigantic conference called by General Hugh S. Johnson, Administrator of the National Industrial Recovery Act, to be held in Washington, March 5th to 8th inclusive, and attended by representatives of all the Code Authorities, Code Practice Committees or Trade Associations in the country, we are inclined to believe that there is little hope of approval of the Cigar Manufacturers' Code, or the Jobbers' and Retailers' Code until after the completion of this conference.

The conference is called to determine practical measures to meet problems which have arisen in actual code operation, and there have been many instances where it has been found that Codes have been approved, after what was thought to be most thorough analysis and investigation, and after the Codes were put in operation it has been found that many of them contained impracticable regulations which have caused no little confusion, and this conference has been called in the hope that information will be obtained which will eliminate similar mistakes in future Code approvals and also devise ways and means of eliminating such objectionable features from the Codes already approved and in operation.

A total of 278 Codes covering approximately 90 per cent. of all industry and trade have been approved to date and another 353, most of them for relatively small industries, on which public hearings have been held, are in course of preparation for final approval.

In his call for the conference, the opening sessions of which are to be held in Constitution Hall, General Johnson outlined the major purposes to include "the consideration in public sessions of the possibilities of increasing employment; protection against destructive competition and against excessive prices and monopolistic tendencies; the elimination of inequalities and inconsistencies in Codes; the position of small enterprises; and the vast problem of Code administration and the organization of industry for self-government."

In his invitations to the conference, General Johnson not only requested the submission before February 20 of "such questions, or suggestions, which in your judgment, may improve the policy or procedure of the National Recovery Administration" but he also urged participants to come prepared to discuss details of the effect of the Codes on their particular industries.

Accurate information is desired, the General pointed out, concerning the effects of Codes on operations, including employment, in each industry; on general price trends of products in each industry; and on unethical trade practices, as well as the effects of Code provisions, if any, restricting production through limitation of machine hours or plant facilities, and the effect of Codes on smaller concerns in each of the industries.

In addition, the invitation solicits suggestions to be presented during the conference for the modification, elimination or addition of specific Code provisions; proposals for the elimination of overlapping of Codes and for the financing of industry Code administration.

It has been stated definitely recently that General Johnson is inclined toward the belief that it will be necessary to further reduce the working hours per week to possibly thirty-two hours to accomplish the re-employment of the many millions who are still on the relief rolls, or the CWA rolls, and that this should be done by working four days of eight hours each, rather than five days of six hours each, or six days of five hours each.

However, if this program is proposed, there is the question of weekly and hourly wage rates to be reconsidered, and many feel that the various industries, particularly the small enterprises in these industries, can not stand, for very long, another increase in wage rates without some compensation in increased selling prices, and General Johnson, on the one hand seems to be committed to the theory that prices *must* be kept down, at least temporarily, while President Roosevelt seems to be inclined toward the theory that an immediate and substantial increase in prices is the only road to the old time prosperity.

Then, too, although price fixing clauses seem to have slipped through quietly in some of the approved Codes, there seems to be a definite trend among the "experts" in Washington to put "thumbs down" on this feature which so many feel is our only salvation against the unscrupulous price-cutter, and, particularly in the tobacco industry, of using tobacco products as "loss leaders" to the very great detriment, if not elimination, of the small enterprise, which it is the avowed purpose of the National Recovery Administration to protect and preserve.

All of these indications point toward the defeat of the one great hope of the retailer and jobber that when the Cigar Manufacturers' Code is approved, there would be an established retail and jobbing price "below which these products must not be sold", and which, if so established, would enable them to pay their employees the living wage which is the major objective of the National Recovery Administration and also enable the "small enterprises" to make a legitimate profit on their investment.

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### W. L. FENTON'S SON KILLED

The many friends of W. L. Fenton, representing the Little Cigar Department of the P. Lorillard Co. in the Philadelphia territory, are sympathizing with him over the sudden death of his son, Warren, on February 13th. The fourteen-year-old boy was struck by an automobile while coasting down steep Crystal Lake Avenue, near the Pennsylvania Railroad crossing in Westmont, N. J. The Fenton home is at Maple and Haddon Avenues, Westmont, N. J.

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### U. S. TOBACCO COMPANY

Net profit of the United States Tobacco Company for the year ended December 31 totaled $3,396,482, equal to $7.03 a common share. This compares with $3,534,943, or $7.64 a common share in 1932. During 1933 a profit of $475,683 was made on sale of the company's treasury common stock, which credited to the surplus account.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

EXPORT of a considerable volume of tobacco to Italy is expected to result from a deal just consummated by the State Department with Italy, contemplating the doubling of the latter's original liquor quota in return for the purchase of American tobacco in an amount and of a type and quality not disclosed.

Negotiations for the transaction were surrounded by secrecy, due to the desire of the Italian government to obviate the possibility of the market price of tobacco being "run up" on their buyers because of the agreement to take our product. On the other hand, the State Department is unwilling to give detailed publicity to the pact because of a wish to withhold from other nations seeking similar agreements knowledge on which to trade for an increased liquor quota.

The tobacco-liquor deal is one of a series being negotiated by the State Department with the representatives of other governments which are desirous of securing permission to ship to the American market now being opened up more of their native production of wines and liquor than was permitted under the quotas originally set by the administration.

It had been brought to the attention of State and Agriculture Department negotiators that Italian purchases of tobacco in this country have been steadily decreasing for some time past, due, it is said, to the fact that tobacco consumption in Italy has been greatly curtailed because of the economic situation.

Because of the circumstances surrounding the deal, it has been agreed between the Italian ambassador and representatives of the State and Agriculture Departments that the Italian tobacco commitment shall be stated in skeleton form, the oral or gentlemen's agreement being far more important than that which has been reduced to writing.

DEVELOPMENT of an entirely new method of applying Internal Revenue taxes to cigarettes, on the basis of price instead of weight, is expected to be sought by members of Congress from the cigarette-manufacturing States when the tax bill now before the House of Representatives reaches the Senate.

The present tax of $3 per 1000 on cigarettes weighing not more than three pounds per 1000 is declared to bear heavily upon the manufacturers of cheap cigarettes, selling at 10 cents per package of twenty.

To afford relief to this class of manufacturers without materially reducing the Government's revenue, it has been suggested that the tax by weight be abandoned and a graduated tax, beginning at $1 per 1000 on cigarettes selling at 10 cents or less per package (exclusive of State taxes) and ranging possibly as high as $6 per 1000 on the highest priced varieties, be adopted.

Sponsors of the plan believe it impossible to get action in the House of Representatives and will therefore await the arrival of the 1934 tax bill in the Senate.

It is pointed out that the application of the processing tax on tobacco has placed manufacturers of the cheaper cigarettes at a heavy disadvantage, particularly where raw material and labor costs have advanced. A reduction in the tax, it is contended, will meet the situation and permit them to continue in business.

REDUCED taxes on cigars also are being sought in Congress, where Representative Haines of Pennsylvania is seeking a rate of $1 per 1000 on cigars retailing up to three cents.

Discussing his proposal in the House of Representatives, Congressman Haines pointed out that at present, on a two-for-five-cent cigar, the Government receives eight cents a pound tax on the tobacco, in addition to the five cents a pound processing tax, declaring that "the industry cannot stand it."

"While it might cost the Government several million dollars if we were to reduce the rate of taxation on these cheap cigars, I venture the prediction today that in less than two years you would bring into the Treasury of the United States an increased revenue," he asserted.

The processing tax, he told the House, has made it almost impossible for the 300 independent plants in his district, producing hand-made cigars, to produce these cheaper cigars.

"I want the House to know exactly the situation in the cheap-cigar industry, because it means so much to our people," Mr. Haines continued. "The processing tax costs us approximately $1 per 1000. The N. R. A. has increased the cost to the manufacturer of these cigars, and when you note that 40 per cent. of the cigar manufacturers in the United States have not signed the P. R. A. and practically all of the people I represent have signed the P. R. A., you can see the advan-

(*Continued on Page 17*)



# Musings of a Cigar Store Indian

**By Chief "Young-Man-Smoke-Cigars"**

IN the first instalment of his reminiscences under the title, "Who's Who, and Why, in the White House," starting last week in the *Saturday Evening Post,* the late Irwin H. (Ike) Hoover, chief usher under nine administrations, wrote thus about smokes in connection with the lunch menu: "Cigars and cigarettes are passed to the men with the coffee to be consumed in another room; but at this writing—1931—cigarettes, as yet, have not been passed to the ladies. Once or twice, women have been bold enough to ask for cigarettes and have been given them. Confirmed smokers are more apt to bring their own and steal off to their room or a quiet corner for a puff after meals. Even this is uncommon. The only smoking I have seen done at the table was on a few occasions when only men were present, and the suggestion came, of course, from the President. Even when the company is all male, they retire usually to one of the parlors or to the President's study for smoking."

WE have a hunch that things have changed a bit since those words were written. We heard only the other day of a luncheon at which Mrs. Rainey, wife of the Speaker (we think it was) had a desire for a cigarette. She had someone ask Mrs. Roosevelt if it would be all right. The President's wife, at first, seemed to take no notice of the question. Then, after a few minutes, in her natural, charming manner, she turned to Mrs. Rainey and said, "May I have one of your cigarettes? I left mine in my room." She took a cigarette and lighted it, thus setting the example for Mrs. Rainey and any others present who cared to smoke. The nice point of the story is that Mrs. Roosevelt does not particularly like cigarettes. She took only a few puffs, and then let it die. If you ask us, that was a fine sample of good manners.

GEORGE C. TYLER, theatrical impressario, introduces us to the Tuscan cigar in the same issue of the *Post.* Writing enthusiastically of Italy and F. Marion Crawford, the author, who lived there, Tyler bursts out: "Why, I even learned to smoke Tuscan cigars, which is a feat—though it's even more of a feat to like them. A sort of a two-fisted stogie, very cheap, that tastes best after you have burned a fourth of it off in a candle flame. Once you learn not to let them bluff you, they make any other cigar taste like milk and water. The first time I fired one up in Crawford's villa at Sorrento—that was another place to make your heart miss a beat the first time you saw it—he took me politely by the arm and led me into the garden, intimating that he'd be charmed to sit with me in the open air until I'd quite finished it."

AS *Printer's Ink* says, when Frank Finney in his article, "Grand Opera, Symphonies and Cigarettes," vigorously announced his belief that high-brow music was poor selling ammunition to waste on low-brow radio audiences he left himself wide open to reply. Out of the numerous comments concerning his article *Printer's Ink* chose four that reflect fairly the opinions of readers who have read Mr. Finney's remarks with aversion and sympathy. And out of those four, we cull the following excerpts as definitely interesting to our readers:

WM. D. MURPHY, advertising manager, Sloan Valve Company: Specifically, can grand opera or symphony programs sell cigarettes? I question whether Mr. Finney knows. My guess is that 15-cent cigarettes are the most popular because, midway between truly cheap brands and luxury brands, they have been given an aura of social acceptability. With the exception of a fear motive campaign to stout persons, how many "common people" have ever looked out at you from a cigarette advertisement? The model is always indubitably of the better sort, or, if an actual attest is used, he or she is most usually a person of distinction. Maybe the 15-cent cigarette makers have been wrong all these years. If so, they have certainly profited by their mistakes.

GLEN E. SHEARS, copy staff, Henri, Hurst & McDonald, Inc.: Of our group, all but one had heard the Aida broadcast last Saturday afternoon. Would they buy Luckies? Opinions differed. Those who liked Luckies would continue to smoke them. Those who didn't care for them wouldn't. But all agreed that Luckies were brought to their attention through the opera program more forcefully than from any other medium. Certainly the program was drawing enough listeners to insure a most fertile audience for its message. And there lies the point. Opera and symphony won't sell anything. That's not their province. Their sole purpose on a commercial program is to create an audience for the advertiser's message.

DOROTHY BARSTOW, director of radio, McCann-Erickson, Inc.: Notwithstanding Mr. Finney's bitter experience—he says "advertising is not a show to entertain the public"—radio is show business and nothing else but. And

radio advertising is a show to entertain the public. The bigger the show, the better the audience, the wider the influence of the advertising message. And useful as are scientific analyses and consumer surveys and sales tests, and valuable as are experience and judgment, still in the end the show is the thing, and all is of no avail without that mysterious brand of genius called showmanship.

L. D. FERNALD, vice-president, Earnshaw, Earnshaw-Young, Inc.: In addition to the primary handicap of not getting your money's worth of audience to begin with, one very practical reason why classical programs can't do much besides "cultivate good will" with those who do listen, is the tremendous restraint placed on commercial announcements when the program itself is so lofty.

# Rulings on Tobacco Contracts

TEN administrative rulings, which interpret and clarify certain provisions of the tobacco production adjustment contracts, have been announced by the Agricultural Adjustment Administration. According to the rulings, the limitation placed upon contracting producers not to increase their 1934 acreage of basic crops for sale over the 1932 or 1933 acreage, includes the acreage of small grains planted, annual row crops that are fed in the field, hay and seed crops harvested, and all crops removed from the land by man.

The ruling interprets the limitation upon livestock to include beef cattle and sheep, if they are designated by law as basic commodities, and states that the limitation follows the producer and not the land. While the number of dairy cattle is limited in the contract, the volume of milk and its products produced are not.

The estimated number of pounds of tobacco stolen, or destroyed by fire may be included in the base production figure, if satisfactory proof of the loss is given to the county committee.

The provision in contracts by which tenants are not to be reduced in number below those on the farm in 1933, is interpreted to apply to all share-tenants or share-croppers who gain a substantial part of their income from the tobacco they grow on the farm, whether or not they maintain residence of the farm. Also, farmers who sign contracts are prohibited from producing tobacco as owner, operator or tenant, and are restrained from demonstrating for tobacco production, on any farm not covered by an adjustment contract.

Release of rented acres for planting to crops to be harvested in 1935 will be given only after the 1934 tobacco crop has been harvested.

The new regulations also define the interest of the share-croppers or tenants, as set out in contracts for Burley, fire-cured, and dark air-cured tobacco, to mean that such tenants shall participate in the first payment in proportion to their interest in the entire acreage. Thus, if an owner has a total tobacco acreage of fifteen acres in 1934, and ten acres is grown by a tenant for half of the proceeds of that tobacco acreage, the owner should have an interest in the payment of two-thirds while the tenant's interest would be one-third.

The rulings clarify the status of those authorized to sign contracts in a representative capacity. Officers, or representatives who have been authorized by filing of a statement under corporate seal, may sign for corporations; executors, administrators, receivers, guardians, may sign for their fiduciary by presenting court orders; agents or managers for producers may sign if given power of attorney.

# President St. John's New Deal for Demuth

BECOMING president of the Wm. Demuth Company on January 15th last, after sixteen years' affiliation with that well-known pipe manufacturing firm, George St. John, Jr., in an open letter to the jobbing trade announces a complete and sweeping change in the company's policies and official personnel, and gives a personal pledge of rigid price maintenance on all of its products from this time on.

Not only is the choice of Mr. St. John as chief executive of the Demuth Company a richly deserved recognition of his long and earnest efforts on behalf of that organization; but the news that he is now in control of its operations is a denouement which will be applauded for personal as well as business reasons by a host of his well-wishers throughout the trade. For but few outstanding figures in the pipe field enjoy such widespread respect and confidence and so many loyal friendships as does the new W. D. C. head. His taking up the reins of office having occurred simultaneously with a complete reorganization of the company's official personnel, Mr. St. John has already taken a leaf from the code of Franklin D. Roosevelt and has made himself virtual dictator of W. D. C.'s management and future trade relations.

Joining the Demuth forces in 1918 in the capacity of an accountant, Mr. St. John subsequently became factory manager, in which capacity his achievement of cutting factory costs nearly six per cent. resulted in his being named vice-president. In that role he has been a familiar figure to the trade, who have long been aware of his guiding theory that it is not only plain justice but sound business to "Protect and aid the Jobber and the Dealer."

In explaining the campaign plans for the coming year, Mr. St. John stated that W. D. C. will shortly launch a complete new merchandise program, based on a startlingly new process of briar perfection which will not only result in added public appreciation of W. D. C. quality, but materially increase the sales and profits of the trade. A striking national advertising campaign will herald the introduction of the new line. But perhaps most important of all, Mr. St. John points out, is the new company policy and his personal pledge and guarantee that hereafter the new Demuth pipes "will never be sold by any national chain for a single penny less than list price."

*The Tobacco World*

**Those untidy habits come from jangled nerves**

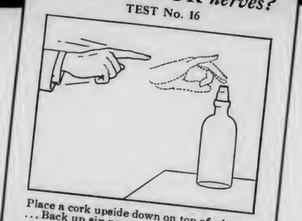
It's bad enough to look untidy—ill-groomed.

But it's twice as bad when you think that those nervous habits are a sign of *jangled nerves*... a friendly signal that says, "Find out what's the matter."

So, if you catch yourself mussing your hair, biting your nails, chewing pencils—or suffering from any other of those countless little nervous habits—

**Get enough sleep and fresh air—find time for recreation. Make Camels your cigarette. You can smoke as many Camels as you please, for Camel's costlier tobaccos never jangle your nerves.**

*How are* YOUR *nerves?*
TEST No. 16



Place a cork upside down on top of a bottle ...Back up six paces... Extend your right arm and sight with your index finger... Walk rapidly toward the bottle, without wavering your arm...See if you can knock off the cork with the first flip. Most people try this test six times before they succeed.

*Anton Lekang (Camel smoker), national 1932 ski jumping champion, flipped the cork off the first try.*

Copyright, 1934, R. J. Reynolds Tobacco Company

*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

**CAMELS**— *THEY NEVER GET ON YOUR NERVES!*

**TUNE IN!** *CAMEL CARAVAN featuring Glen Gray's CASA LOMA Orchestra and other Headliners Every Tuesday and Thursday at 10 P. M., E. S. T.—9 P. M., C. S. T.—8 P. M., M. S. T.—7 P. M., P. S. T., over WABC-Columbia Network*

# Tobacco Agreements Tentatively Approved

SECRETARY OF AGRICULTURE HENRY A. WALLACE has tentatively approved three marketing agreements for dark air-cured and fire-cured tobacco, which are designed to improve prices to growers. The agreements have been sent to contracting tobacco firms for their signatures. The agreements cover practically the entire amount of fire-cured and dark air-cured used in domestic trade and a large portion sold for export. They provide for the purchase of specified minimum quantities of tobacco at certain minimum average prices.

Under Agreement No. 1, three by-product companies would agree to take, up to a maximum of 15,000,000 pounds, at a price of 1.25 cents per pound, the unsold surplus tobacco of fire-cured types 22, 23 and 24 and Green River type 36, thus providing an outlet for the grades of tobacco which do not bring a minimum bid of 1½ cents per pound on the market. Unsold fire-cured tobacco of type 21 which does not bring a minimum bid of 1 cent per pound on the market would be taken by the by-product companies, up to a total of 2,000,000 pounds, at a minimum of .8 cent per pound. As a result of the public hearing held on January 18th the minimum price bid submitted on the market for type 21 was reduced from 1.5 cents per pound to 1 cent per pound. The termination clause has also been modified so that the Secretary may end the agreement on the first day of any month on ten days' notice. Types 35 and 37, contained in the first proposed agreement, have been eliminated.

Agreement No. 2, covering tobacco used in snuff manufacture, obligates three snuff companies to purchase a total of 31,600,000 pounds of tobaccos with minimum average prices ranging from 7¼ cents to 14 cents per pound. The obligation of the companies to purchase will be proportionately reduced if the 1933 production of the types used proves to be less than 155 million pounds.

Agreement No. 3, covering dark air-cured tobacco, types 35, 36 and 37, used in the manufacture of chewing and smoking tobacco, obligates each contracting manufacturer to purchase a quantity of these types at least equal to last year's usings at an average price of not less than 7 cents per pound for types 35 and 36, and 7½ cents per pound for type 37. It also has a provision for a proportionate reduction in the amounts of the purchase, if the 1933 production is below the official estimates.

Agreement No. 1 has been sent for signature to forty leading companies which buy the dark types of tobacco. Agreement No. 2 has been sent to the American Snuff Company, George W. Helme Company, and the United States Tobacco Company. Agreement No. 3 has gone to the R. J. Reynolds Company, P. Lorillard Company, Liggett & Myers Tobacco Company, American Tobacco Company, Brown & Williamson Tobacco Corporation, and the Ryan-Hampton Tobacco Company.

# To Appeal for Tax Reduction

PURSUANT to a call issued by the Tobacco Merchants Association of the U. S., a meeting of cigarette, tobacco and snuff manufacturers was held at the Hotel Biltmore, New York, N. Y., on Tuesday, February 6, 1934, for the purpose of discussing and considering the Internal Revenue Taxation of Cigarettes, Snuff, and all forms of Smoking and Chewing Tobaccos. S. Clay Williams presided.

After a thorough discussion of the entire tax problem in which emphasis was laid on the heavy tax load now borne by the tobacco industry, it was decided that an appeal be submitted to Congress for a substantial horizontal tax reduction in the tax rates on cigarettes and all kinds of smoking and chewing tobacco and snuff, such reduction to be applied in an equal percentage to all of these products.

The meeting also went on record in opposition to the establishment of any differential in the tax on cigarettes or on smoking and chewing tobacco and snuff.

A committee with full power to present the views of this meeting to Congress and to take such steps as may be deemed wise and proper has been appointed as follows:

S. Clay Williams, chairman; J. W. Abbott, Jesse A. Bloch, O. H. Chalkley, William M. Dillon, John C. Flynn, F. L. Fuller, Paul M. Hahn, Junius Parker, W. R. Perkins, William T. Reed, H. P. Taylor (of Taylor Bros., Inc.).

The following companies were represented at the meeting: American Snuff Co., The American Tobacco Co., Bendixen Tobacco Co., Benson & Hedges, The Bloch Bros. Tobacco Co., Byfield Snuff Co., Continental Tobacco Co., Crimson Coach, Inc., De Nobili Cigar Co., David Forry Tobacco Co., Geo. W. Helme Co., Larus & Bro. Co., Liggett & Myers Tobacco Co., P. Lorillard Co., Philip Morris & Co., Ltd., Penn Tobacco Co., R. J. Reynolds Tobacco Co., Ryan-Hampton Tobacco Co., Scott Tobacco Co., Scotten-Dillon Co., United States Tobacco Co.

# Lucky Strike Broadcasts Opera Premiere

"MERRY MOUNT," Howard Hanson's opera in English, which had its world premiere at the Metropolitan Opera House on Saturday, February 10th, and which was broadcast to music lovers throughout the country over combined coast-to-coast NBC-WEAF-WJZ networks, through the courtesy of the American Tobacco Company, is an all-American grand opera.

Composed by an American to a libretto by another American, Richard Stokes, it concerns the Puritans of New England and was inspired by a native author, Nathaniel Hawthorne. In addition the principal role, that of the clergyman, Wrestling Bradford, was taken by the famous American singer, Lawrence Tibbett, and the scenery has been done by the American designer, Jo Mielziner.

THE HEIGHT OF GOOD TASTE

*and in Cigarettes too — Taste is Everything*

ALWAYS *the Finest Tobacco and* ONLY *the Center Leaves*

## STOOPNAGLE AND BUDD WITH CAMEL

COLONEL STOOPNAGLE AND BUDD, popular CBS comedy team, have been signed by the R. J. Reynolds Tobacco Co., makers of Camel cigarettes, as featured personalities on the Camel Caravan heard every Tuesday and Thursday from 10 to 10:30 P. M., Eastern Standard Time, over the coast-to-coast WABC-Columbia network. The two comedians made their first appearance on this program Tuesday, February 13th.

In addition to presenting the very latest inventions and stuff, as is their wont, the Colonel and Budd will serve as masters of ceremony. Glen Gray and his Casa Loma Orchestra, a regular feature of the Camel Caravan since its inception last December, will continue to purvey their danceable tunes with Pee Wee Hunt and Kenny Sargent as vocalists.

In order that they might accept this contract, which is for a long-term engagement in two half-hour spots each week, the Colonel and Budd were granted a release from the Pontiac program, on which they have been featured since December 16th. At the time the release was granted their contract with General Motors had several weeks to run. The comedians concluded their engagement with Pontiac during the broadcast of Wednesday, February 7th, switching to the Camel Caravan six days later on Tuesday, February 13th.

## AMERICAN SNUFF EARNINGS INCREASE

American Snuff Company shows for 1933, as certified by independent auditors, net income of $2,002,092 after depreciation and Federal taxes, equivalent, after the 6 per cent. preferred dividends, to $4.12 a share on 433,100 shares of common stock, exclusive of 6900 shares of common stock held in the treasury. This compares with $1,818,025, or $3.59 a share, on 440,000 common shares in 1932, including shares held in the treasury.

## LIGGETT & MYERS ANNUAL MEETING

Notice has been given by the Liggett & Myers Tobacco Co. that the annual meeting of the stockholders of that company for the election of directors and the transaction of such other business as may properly come before the meeting will be held at the Home Office of the company, No. 15 Exchange Place, Jersey City, N. J., on Monday, the twelfth day of March, 1934, at 11 o'clock A. M.

Record of stockholders entitled to vote at this meeting will be taken as of 3 o'clock P. M., February 15, 1934.

## CONSOLIDATED CIGAR EARNINGS

Consolidated Cigar Corporation and subsidiaries, according to a preliminary report for 1933, had net profit of $497,779 after depreciation, Federal taxes, etc., equal, after allowance for dividend requirements on subsidiary preferred stock, to $5.72 a share on 84,898 shares of 6½ per cent. prior preferred stock outstanding at the close of the year. Consolidated profit in 1932 amounted to $935,853 after taxes, depreciation, etc., but before considering reduction of leaf tobacco inventories as of July 2, 1932, to the value determined by the management, which resulted in a charge of $1,242,650 made directly against surplus account. For the quarter ended December 31st net profit was $224,084, after taxes and charges, compared with $217,565 in the December quarter of 1932.

## OLD GOLD'S NEW AIR SERIES

TED FIORITO'S famous West Coast Orchestra with Dick Powell, film star, as singing master of ceremonies, inaugurated a new series of Old Gold programs over a nation-wide WABC-Columbia network on Wednesday, February 7, at 10 P. M., Eastern Standard Time. Featured vocalists and novelty groups included the Three Debutantes, the Fireaters, Muzzy Marcellino, Lief Erickson and Ray Hendricks. Kenneth Niles announced. The series originated in San Francisco from the studios of KFRC.

The strains of "Rio Rita," Fiorito's traditional theme, opened the broadcast, following which the band was heard in "You've Got Everything." The second selection introduced California's clowning crooner, Muzzy Marcellino, with the Debs—Margery, Betty and Dot—in "Dancing on a Rainbow" and "Mine." Lief Erickson, former Los Angeles doorman, was heard next in his baritone version of "Goin' to Heaven on a Mule," after which the girls returned for "Night Owl." Old Gold's "You're an Old Smoothie" sequence terminated the first portion of the broadcast.

Part II featured Dick Powell's interpretation of "Did You Ever See a Dream Walking?" interpolated by "I'm a Dreamer." Other features were Ray Hendricks' "Vieni Su," Ted Fiorito's own piano tricks, and instrumental novelties of the Fireaters in "Liza." "The Goose and the Gander," interpreted by Muzzy Marcellino and the Debutantes; Lief Erickson's version of "Old Black Joe," and the entire company in "Hell's Bells," completed the premiere.

## GENERAL CIGAR CO. EARNINGS

The General Cigar Company had 1933 net income of $721,520, compared with net income of $2,058,370 in 1932. The 1933 net was after all deductions, including $1,006,424 adjustment of inventories of raw materials as of September 30.

## BAYUK EARNINGS FOR 1933

Report of Bayuk Cigars, Inc., for the year ended December 31, 1933, certified by independent auditors, shows net profit of $664,711 after depreciation, interest, amortization, taxes, etc., equivalent after preferred dividends, to $5.11 a share on 90,851 no-par common shares outstanding. This compares with net loss of $1,262,556 for the previous year.

The 1933 earnings are exclusive of $60,179 undistributed earnings for the year of controlled company not consolidated.

## P. LORILLARD CO. ANNUAL MEETING

Notice has been given by the P. Lorillard Co. that (in lieu of closing the Stock Transfer Books) 3 P. M. Tuesday, February 13, 1934, is fixed as the record date for the determination of the stockholders of the company entitled to notice of and to vote at the annual meeting of stockholders to be held on March 13, 1934, and that only stockholders of record at 3 P. M., on February 13, 1934, shall be entitled to such notice of and to vote at such annual meeting, notwithstanding any transfer of any stock on the books of the company after said record date.

## P. LORILLARD CO. REPORTS

The P. Lorillard Co., for 1933, reports net income of $2,380,254, after various charges, compared with $4,556,052 in 1932.

_about Cigarettes

Of all the ways in which tobacco is used the cigarette is the mildest form

YOU know, ever since the Indians found out the pleasure of smoking tobacco, there have been many ways of enjoying it.

But of all the ways in which tobacco is used, the cigarette is the mildest form.

Another thing—cigarettes are about the most convenient smoke. All you have to do is strike a match.

Everything that money can buy and everything that Science knows about is used to make Chesterfields. The tobaccos are blended and cross-blended the right way — the cigarettes are made right — the paper is right.

There are other good cigarettes, of course, but Chesterfield is

*the cigarette that's*
MILDER
*the cigarette that*
TASTES BETTER
*—we ask you to try them*

Chesterfield
They Satisfy

© 1934, Liggett & Myers Tobacco Co.

# PHILADELPHIA.

IF YOU HAPPEN around Ninth and Columbia Avenue between 3 and 4 o'clock in the afternoon, when the first shift is coming off and the second going on, you will be justified in jumping to the conclusion that Bayuk is continuing the record which made 1933 the company's banner year in unit production and sales, exceeding the peak years 1927 and 1928. You will find it easy, in fact, to believe that January this year was considerably better than the same month last year. Those workers sure do swarm in and out in hordes.

The Arthur Schultz Co. has been doing an intensive sales job on Phillies in the Erie (Pa.) territory, assisted by E. T. Clifford, Bayuk salesman.

The sales force of the Rochester, N. Y., branch, under Manager M. F. Westphal, also reports unusual successes recently in placing Phillies among the dealers in that territory.

Harry Rice, of the N. Rice Cigar Co., Pittsburgh, Pa., a recent visitor, said that their increasing business necessitated the addition of three trucks and six new salesmen's automobiles.

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The management of the cigar stand in the Art Club of Philadelphia has been acquired by Yahn & McDonnell, local distributors, and who now operate the largest chain of hotel, club and restaurant cigar stands in this city.

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Monticello smoking tobacco, a high-grade brand of John Wagner & Sons, is enjoying a splendid sale and is making new friends constantly in ever-widening territories. The "Wagner" brand of cigars is also showing a splendid increase in demand at this time.

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The Philadelphia Association of Tobacco Distributors held their regular meeting on Monday evening with a goodly number in attendance. Routine business was transacted and a feeling of optimism in regard to better business conditions was much in evidence.

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The Wholesale Confectioners Association of Philadelphia held their first annual banquet at the Hotel Benjamin Franklin on Saturday night with about 800 guests in attendance, including practically all of the tobacco jobbers in the city. The affair was highly enjoyable and voted a definite success.

## Trade Notes

John L. McHuerty, U. S. Representative for the Romeo y Julieta brand, writes from Havana that conditions there are improving and ample shipments of this high-grade brand will soon be coming through.

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Joe Banker and Barton Lemlein, of M. Sacks & Co., New York manufacturers of high-grade cigars, visited John Wagner & Sons last week, and reported business very good.

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Sam Adler, of Villazon & Co., Tampa manufacturers, was in town last week displaying a new size in the Villazon line front-marked Roosevelts and retailing at fifteen cents. Sam reported this new size selling like the proverbial "hot cakes."

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The Marcello, Mint Perfecto, and As You Like It brands, controlled by Yahn & McDonnell cigars, are enjoying a much wider distribution in the past few weeks and enjoying a splendid increase in sales as a result.

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The King Edward brand, product of John Swisher & Sons, Jacksonville, Fla., is again selling in the two-for-five cent class, after being in the three-for-ten class for a time, and sales are responding to the reduced price.

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Benjamin Lumley has just returned from a trip to Washington and Baltimore, and reports a splendid sale on his Garcia y Vega brand. So far this year business is far ahead of the same period of last year, and every indication points to the fact that it will continue in that direction.

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Harry Tint reports from St. Petersburg, Fla., that he is having a splendid time enjoying the sunshine and balmy breezes in that city, and expects to be at the old stand 1420 Chestnut Street, where he dispenses "nothing but the best" in high-grade cigars and other tobacco products by February 19th.




**BROWN & WILLIAMSON TOBACCO CORP. UNIONIZE**

Louisville, Ky., Dec. 13, 1933—The Brown & Williamson Tobacco Corporation announced yesterday that it had signed an agreement with the tobacco workers' union whereby company factories (located at Louisville, Petersburg, Va., and Winston-Salem, N. C.) become union plants, and WINGS CIGARETTES, SIR WALTER RALEIGH SMOKING TOBACCO and other B. & W. products will carry the union label as soon as necessary labeling equipment can be installed.

*(extract from last month's trade press)*

**BROWN & WILLIAMSON TOBACCO CORP., LOUISVILLE, KENTUCKY**

Brown & Williamson products have been designed to bring you the most profit in all lines and prices. New products are added to fit the times. Are you getting your share of profit from these live, selling items: Dial Smoking Tobacco, Sir Walter Raleigh Smoking Tobacco, Raleigh Cigarettes, Kool Cigarettes, Golden Grain Tobacco, Target Cigarette Tobacco and Bugler Cigarette Tobacco.

## PROCESSING TAX REDUCED ON FLUE-CURED TOBACCO USED FOR PLUG OR TWIST

THE following bulletin has been released by the Tobacco Merchants Association, in reference to reduction in Tobacco Processing Tax:

We quote below an official statement issued February 1st by the Agricultural Adjustment Administration, which is self-explanatory:

"Secretary of Agriculture Henry A. Wallace has issued a certificate ordering a reduction of nine-tenths of a cent per pound in the processing tax imposed on flue-cured tobacco used in the manufacture of plug and twist tobacco products, it was announced today by the Agricultural Adjustment Administration.

"According to the certificate, the difference between the 4.2 cents per pound on flue-cured tobacco, and the new rate of 3.3 cents per pound farm sales weight, on such tobacco when processed into plug or twist, will be refunded to processors.

"The abatement in the amount of the tax was ordered after a public hearing and investigation revealed that plug chewing tobacco and twist, made from flue-cured tobacco, were of such low value as compared with the quantity of tobacco used in their manufacture that a tax in excess of the new rate would tend to cause a shift to other tobacco commodities in the manufacture of plug chewing and twist."

### Effective Date of Reduction

While the effective date of this reduction is not stated in the above-quoted statement, we have been advised by the Department over the telephone that it became effective on *February 1st* and that it would apply to processing taxes *due and payable after February 1st. Thus, the tax on such tobacco, processed during the month of January*, which tax does not become due and payable until the end of February, will be at the new rate.

### The Readjusted Rates

As a result of the .9¢ per pound reduction in the basic rate on flue-cured tobacco used in the manufacture of plug and twist tobacco products, the rates on such tobacco when used for the purposes indicated, will be as follows:

| | *Old Rate* | *New Rate* |
|---|---|---|
| Farm Sales Weight | 4.2¢ per lb. | 3.3¢ per lb. |
| In Processing Order | | |
| Stem not removed | 4.7¢ " " | 3.7¢ " " |
| Stem removed | 6.1¢ " " | 4.8¢ " " |

It is to be assumed, of course, that adequate instructions will be issued by the Department relative to this tax readjustment stating how it is to be computed or applied, and reported, which instructions will doubtlessly be in the hands of the various revenue collectors before the end of this month.

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## BID FOR WHELAN STORES REJECTED BY REFEREE

Referee in bankruptcy Irwin Kurtz last week instructed the Irving Trust Company, as trustee in bankruptcy for the United Cigar Stores of America, to reject an offer made by the Branfield Corporation for the Whelan Drug Stores, a subsidiary of United Cigar Stores.

Kurtz told the trustee to co-operate with the United's reorganization committee in making a bid for the Whelan stores if Referee Oscar W. Ehrhorn, to whom the case has been referred, should insist on proceeding with the sale on February 10, the deadline set for acceptance or rejection of the offer.

A representative of the Irving Trust at last week's hearing told Kurtz that the Branfield Corporation's cash offer of $5,179,000 would mean that creditors whose claims were allowed might receive but from 35 to 39 cents on the dollar.

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## NEW LUCKY STRIKE DISPLAY

A new and striking Lucky Strike window display has just been released by the American Tobacco Company, which is attracting wide interest because of its unique appeal. The new display consists of an electrically operated revolving wheel on which are red letters spelling "Lucky Strike," and a red ball bounces around the wheel and stops on these letters. Across the top of the wheel is a slide in which appears moving sentences describing the reasons Lucky Strikes are so good and why smokers should smoke that brand.

The new display will be seen in all parts of the country just as soon as a sufficient supply can be procured.

## Under Billy Penn's Hat

George Stocking (Arango y Arango), manufacturers of the Don Sebastian line, was a visitor in town last week and reports business on the up-grade. John Wagner & Sons are doing a good job in this territory and have a splendid distribution and sale on this high-grade brand.

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Mannie Perez, of Marcelino Perez & Co., Tampa manufacturers of high-grade Havana cigars, was in town last week and reports a brisk business on his Redencion brand. Yahn & McDonnell, local distributors, report a good demand on this fine line, with the Redencion Pals increasing steadily.

——

E. Rosenthal, representing Gonzales & Sanchez, Tampa, was in town this week with a new size known as G. & S. panatela to retail at five cents, which has all the appearance of being a winner. The G. & S. perfecto retailing at five cents has been a big seller with Yahn & McDonnell, local distributors for some time, and the new panetela will make an excellent running mate for this brand.

——

Paul L. Brogan, vice-president of Yahn & McDonnell cigars, was called home from his visit in Florida, where he had gone to recuperate from the effects of a severe cold contracted during the rush of business in the holiday season, on account of an injury to his son suffered in a sledding accident. The boy's arm was fractured in two places, but Paul reports the breaks are mending nicely and expects the boy will soon be as "good as new."



## News from Congress

(*Continued from Page 6*)

tages which many of the cigar manufacturers have. Then when you know that the Philippines are today taking the cheap market away from the American cigar manufacturer and the American growers of tobacco, you can further appreciate the situation."

As evidences of the difficulties which this class of manufacturers is laboring under, Representative Haines submitted telegrams asking for relief from the Porto Vana Cigar Company, Dallastown; F. X. Smith Sons Company, McSherrystown; W. J. Neff and Company, Red Lion, and the East Prospect Cigar Company, East Prospect.

APPROVAL of the code authority elected by the cigar container industry to serve until June 16th next, or until their successors are appointed, was announced February 12th by Recovery Administrator Johnson. The members of the authority are as follows:

Rodgers Neely, Allentown, Pa., representing the National Cigar Box Manufacturers Association, chairman; Charles Fisher, Eastern Cigar Box Manufacturers Association, Baltimore; Harry W. Buckley, Western Cigar Box Manufacturers Association, Lima, O.; George J. Snyder, Philadelphia, representing unaffiliated manufacturers, and B. S. Sentz, Red Lion, Pa.; Harry F. Unger, New Brunswick, N. J., and David Gross, Tampa, Fla., representing the industry as a whole.

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## CUBAN CONDITIONS IMPROVE

The series of political developments that occurred during January, culminating in the installation of Col. Carlos Mendieta as president, were followed by a return to more tranquil conditions that have restored a measure of confidence and optimism to the business community. It is yet too soon to gauge accurately the full effect of the political change, but a restoration of deferred consumer demand, concurrent with a beginning of stock replenishments on the part of retail merchants, is in evidence. A deterrent factor in foreign purchasing, however, is the apparent widespread belief among the import trade that a revision of the reciprocity treaty between Cuba and the United States, with important reductions in the Cuban tariff structure, is imminent.

Conditions in the tobacco industry improved during January, the demand for high tobaccos increasing. Prices are above the levels of last year, and stocks of 1933 low-grade filler are reported to be nearly exhausted. The strike, which paralyzed activities of most of the large Habana cigar factories, has been partially settled, and on January 26th only two of these factories remained closed. The outlook for the 1934 crop is uncertain, owing to varying weather conditions in different producing areas. Exports of tobacco and tobacco products during December were valued at $945,726, as against $1,056,193 during December, 1932.

MURIEL
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5¢
Full Size
Long Filler
Exceptional cigar quality for a nickel
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| | | |
|---|---|---|
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Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATION

**CUSTOM MADE:—46,290.** For cigars only. November 14, 1933. Consolidated Litho. Corp., Brooklyn, N. Y. ("Customed Made" originally registered on August 5, 1913, by Kaufman, Pasbach & Voice, New York, N. Y., predecessors to Consolidated Litho. Corp.)

### TRANSFERS

**FLIGHT:**—(U. S. Tobacco Journal). For cigars. Registered by Thoroughgood & Co., Janesville, Wis., March 26, 1886. Transferred to Geo. Schlegel, Inc., New York, N. Y., and re-transferred to G. W. Van Slyke & Horton, Albany, N. Y., January 30, 1934.

**AMORADA:—26,258** (U. S. Tobacco Journal). For cigars. Registered December 4, 1902, by Schmidt & Co., New York, N. Y. Through mesne transfers acquired by the Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to Grabosky Bros., Inc., Philadelphia, Pa., February 5, 1934.

**AMERADA:—45,718** (Tobacco Merchants' Association). For cigars. Registered May 9, 1930, by the Amerada Cigar Co., Passaic, N. J. Transferred to the Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to Grabosky Bros., Inc., Philadelphia, Pa., February 5, 1934.

**LOPEZ DE VEGA:—16,718** (Trade-Mark Record). For cigars. Registered June 11, 1896, by Geo. Schlegel, New York, N. Y. Transferred to G. A. Kohler & Co., Yoe, Pa., February 5, 1934.

**FLOR DE ALWIN:—17,098** (Tobacco World). For cigars, cigarettes and cheroots. Registered February 1, 1909, by Petre, Schmidt & Bergmann, Philadelphia, Pa. Transferred to John H. Witter, Newmanstown, Pa., and re-transferred to Federal Cigar Co., Red Lion, Pa., August 10, 1927.

**ALWYN:—30,433** (Tobacco World). For cigars. Registered September 24, 1914, by Kaufman, Pasbach & Voice, New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the original registrants, to Federal Cigar Co., Red Lion, Pa., February 7, 1934.

**LA CITATION:—40,873** (Tobacco Merchants' Association). For all tobacco products. Registered October 26, 1918, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the registrant, to E. Regensberg & Sons, New York, N. Y., January 11, 1934.

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*says an advertiser.*

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MARCH 1, 1934

VOLUME 54 No. 5

# THE TOBACCO WORLD

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WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 MARCH 1, 1934 No. 5

*The TOBACCO WORLD has signed the President's agreement and is operating under NRA Code, gladly and wholeheartedly co-operating to the fullest extent in the Administration's effort to promote industrial recovery.*

▲

AS WE go to press, there arrives a despatch from Washington stating that exhaustive hearings on revision of the existing taxes on tobacco and tobacco products will begin March 12th before a sub-committee of the House Ways and Means Committee. Representative Vinson, of Kentucky, who made the announcement, will serve as chairman of the sub-committee, other members of which will be Congressman Shallenberger, of Nebraska, McCormack, of Massachusetts, Bacharach, of New Jersey, and Woodruff, of Michigan. It is expected that about five days will be required for the hearings.

Declaring that there is a real need for revision of present tobacco taxes, Representative Vinson pointed out that while the present six-cent tax on cigarettes is generally believed to be of wartime origin, it was not imposed until after the war, being one of the taxes increased to make up the revenue lost by the adoption of prohibition. The return of legalized liquor, he believes, is a sufficient basis for restoration of the tax to its pre-prohibition status or thereabouts.

Explaining that the committee "expects to view this important problem from a four-angle viewpoint—the grower, the consumer, the tobacco industry, and the Treasury," Vinson said in a statement it was his personal thought "that a substantial reduction in the tobacco tax and thereby a lessened price of the tobacco products to the consumer will bring about an increased consumption of such products and, naturally, a substantial increase in prices to the farmer because of the increased demand."

COMING as it did just three weeks to the day after the meeting of the manufacturers called by the Tobacco Merchants Association of the United States, the announcement of this series of hearings should prove of absorbing interest to everyone in the industry. The publicity which will result from the hearings will serve more than anything else to reveal to Mr. and Mrs. Smoker the disproportionateness of the internal revenue taxes on tobacco and tobacco products.

THEY will learn, some of them for the first time, what the manufacturers, wholesalers and many retailers have long been cognizant of, namely, that the major part of the retail price they pay for their cigarettes, for instance, is not for the tobacco, the paper, the package, the manufacturing costs, the sales and advertising expense, nor for all these items added together, but for the Government tax. Tell the average smoker that six cents of the price he pays for a pack of cigarettes goes to the Government as a tax, and, unless you have previously built up a reputation with him for knowing what you're talking about, the chances are he'll suspect you of garbling the facts.

IT WILL be a surprise to the average layman to learn that tobacco taxes represent approximately one-fourth of the internal revenue collections from all sources. When he understands that this can be so only because the tax is so great a part of the price he pays for his smoke, it is not too much to expect that he will comment on this new knowledge to his Congressman, who, in turn, can patriotically advocate a reduction of the tobacco tax on the ground that greater sales will result from the consequent lower retail prices, which will be of benefit to the grower, the manufacturer, the wholesaler, the retailer and to the Government itself. For the Government income will grow, not only from the increased sales of stamps, even though at a lower cost, but also from the revenues arising from the increased business all the way down the line.

IT IS very interesting to mark the trend of the tobacco trade in the United States. The year that has just closed had many doleful days for tobacco manufacturers, and retailers have felt the high wind of adversity which was intensified by an abnormal increase in price-cutting. The latest reports indicate a feeling of optimism. There is a forward move in connection with the Code proposal, and the removal of the discredited Prohibition Law has given an extraordinary impetus to the tobacco trade. There is one lesson which tobacconists in these countries can learn from the trade revival in the United States, and it is that a spirit of co-operation and sound leadership are essential features if better times are to be experienced." Those words, gentlemen, are from the *Irish Tobacco Trade Journal*, the only publication in Ireland devoted to the tobacco and allied trades. They are reprinted here because the lesson which the Irish trade is asked to learn from the editor's long-distance view of the situation in this country is the very same lesson which the industry in this country must learn and act upon: "A spirit of co-operation and sound leadership are essential features if better times are to be experienced."

Here's hoping that the Code will be adopted soon after the end of the NRA conferences in Washington on March 8th, so that planning and action may go ahead, unhampered by any doubts as to what has been finally determined upon to be for the greatest good of the greatest number in the industry.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Adjustment Program for Puerto Rico

A TOBACCO adjustment program for Puerto Rico, which will mean the distribution of approximately $1,750,000 in benefit payments to growers in 1934 and 1935, has been announced by the Agricultural Adjustment Administration. Under this program growers of cigar-filler, type 46, tobacco in Puerto Rico will be offered contracts for reduction of the crop being harvested, and on the acreage to be planned next season.

A representative of the Agricultural Adjustment Administration has been in Puerto Rico for the past several weeks studying the problem of the growers. The current crop is now being harvested and is expected to yield 25,000,000 pounds, which would increase the present large carry-over. As a result of this surplus condition, Puerto Rico cigar filler, which constitutes 15 to 20 per cent. of the cigar tobacco consumed in the United States, is selling about 30 per cent. below fair exchange value. Practically all of this tobacco is sold in the United States.

The contract to be offered will require growers to leave unharvested all of the second and third crops of tobacco on their acreage this season. Growers will also be asked to reduce the acreage planted for the 1934-35 crop by either 40 per cent. or 25 per cent. of the base acreage. If the 25 per cent. reduction is chosen by a grower, he will be permitted to harvest but one crop from the acreage grown. If the grower elects to reduce his acreage by 40 per cent. he may take a second harvest from his crop.

The contract offers growers two choices as to base acreage, which may be either the average planted to tobacco in the crop years 1929-30, 1930-31, 1932-33, and 1933-34, or may be 85 per cent. of the average planted in any three of those crop years.

The contract will give the Secretary of Agriculture the privilege of requiring acreage reductions in 1935-36 similar to those in 1934-35. In the event this option is exercised, growers will receive rental and adjustment payments on the same basis as those received for 1934-35.

Under the terms of the contract growers who participate will receive payments for leaving unharvested the second and third tobacco crops this season, at the rate of $10 per cuerda (1.01 acres) where the crop is harvested by "priming", or picking individual leaves without disturbing the stalk. Payments will be made at the rate of $15 per cuerda where the crop is harvested by stalk-cutting. Payments in the 1934-35 program will be on the basis of a rental payment of $30 per cuerda on land taken out of tobacco, in addition to an adjustment payment equal to 30 per cent. of the market value of the crop grown in 1934-35.

The payment to growers this season will be distributed as soon as proof that the grower has destroyed his second and third crops has been submitted and approved. The first payment in next year's adjustment plan will be made after contracts have been approved and accepted. The second payment will be made after proof of compliance.

If all tobacco growers in Puerto Rico participate in the program there would result a 15 per cent. reduction in the present crop, and a 33 per cent. reduction in the 1934-35 crop. Thus production for the present year would be approximately equal to consumption, while the crop next season would be about 20 per cent. below consumption, bringing about a substantial reduction in the carryover of old tobacco.

The tobacco adjustment program for Puerto Rico is the first program to be announced for insular possessions or territories under the Agricultural Adjustment Act.

# Nearly All Burley Growers in Campaign

BETWEEN 90 and 95 per cent. of Burley tobacco growers in the United States have agreed to curtail 1934 production under Agricultural Adjustment contracts, it was indicated by the first compilation of results from the sign-up campaign which was closed officially February 17th. The reduction assured by the contracts will limit the 1934 crop to approximately 250,000,000 pounds, according to J. B. Hutson, chief of the Tobacco Section. Growers, under the contract, may reduce either one-third or one-half from their base.

Total benefits, including rental and adjustment payments, which will be distributed to participating growers, will approximate $15,000,000. These benefits are to be derived from processing taxes on tobacco of this type. The first rental payment of $20 per acre on land taken out of production will be made to contracting farmers as soon as contracts are examined and accepted.

The first adjustment payment, which will be equal to at least 10 per cent. of the net sale value of the 1933 crop on farms covered by contracts calling for a 33⅓ per cent. reduction, and at least 15 per cent. of the net sale value of the 1933 crop on farms covered by contracts calling for a 50 per cent. reduction, will be made about September, 1934.

The second adjustment payment, which will be not less than 15 per cent. of the net sale value of the 1934 crop under the first type of contract, and not less than 35 per cent. of the net sale value of the 1934 crop under the second type of contract, will be made after the 1934 crop has been marketed.

The percentages of sign-up in the various states, as estimated from the first tabulations of the extension directors, are as follows: Kentucky, 92 per cent.; Tennessee, 90 per cent.; Ohio, 91 per cent.; North Carolina, 95 per cent.; West Virginia, 50 to 60 per cent.; Virginia, 95 per cent.; Indiana, 75 per cent.; and Missouri, 86 per cent.

Kentucky, Tennessee and Ohio are the largest producers of Burley type tobacco. According to Mr. Hutson, growers in these States apparently favored the one-half reduction plan, while growers in the other States appeared to favor the one-third reduction plan.

The sign-up of contracts for limiting production on fire-cured and dark air-cured tobacco will probably come to a close during the early part of March, according to Mr. Hutson. The exact date will be announced later. The sign-up in areas producing these types of tobacco was begun at a later date than the signing of growers in the Burley areas.



# Review of Foreign Tobacco Markets

WITH increases of 6.75 per cent. in volume, 17.8 per cent. in average value per hundred pounds, and 25.8 per cent. in total returns to American shippers, the leaf tobacco trade of the United States with foreign countries during 1933 recovered, in part, the volume and value lost to the tobacco trade during 1932. As reviewed by the Tobacco Division, Department of Commerce, exports of leaf tobacco during 1932 were 84,265,725 pounds, or 17 per cent., less than the average during the five years 1922-1926, and 142,000,000 pounds, or 25.8 per cent., less than the average during the five years 1927-1931. Total exports of leaf tobacco from the United States to all foreign countries during 1933 amounted to 438,936,121 pounds, and the total return to American shippers amounted to $82,924,212 or an average of $18.89 per hundred pounds. Compared with others, during the twelve-year period of 1922-1933 inclusive, with the exception of 1932, the year 1933 was a lean one in both total quantity and total value; however, the downward trend was broken.

The trend in average price per hundred pounds has been decidedly downward since 1922. The average price that year was $33.15 per hundred pounds and the average price during the five years 1922-1926 was $30.47 per hundred pounds. During the next five years, 1927-1932, the average price was $25.19 per hundred pounds, the low year being that of 1931 when the average was $21.12. The 1932 average was $5.09 below 1931 and registered $16.03. In the ten years following 1922, the average price fell from $33.15 to $16.03, a decrease of $17.12 per hundred pounds, or nearly 52 per cent.

Although the volume of leaf tobacco exported from the United States followed an upward trend from 1922 through 1930, the total return to American shippers in 1930 was approximately a million dollars less than the return in 1922, in keeping with the downward trend in average price. During 1931, total exports were 55,231,793 pounds below 1930, and shippers received $35,029,628 less in return.

The value of all leaf tobacco exported during 1922 was $146,489,101 and the value in 1930 was $145,609,209. The peak year of the period under review was 1924, when the value registered $164,129,745. The low average in 1931 and the low return of $110,779,581 that year reduced greatly the five-year average of 1927-1931, inclusive, when compared with the previous five-year period. The extremely low average of $16.03 per hundred pounds for all leaf tobacco exported during 1932, coupled with the low volume of 411,159,483 pounds, registered a return of $65,901,574, or approximately 45 per cent. less than that of the return in 1922, and approximately 40 per cent. less than that of the peak year 1924.

As before mentioned, 1933 exports of leaf tobacco recovered in volume exported, average price per hundred pounds, and in total return to American shippers. At this time, it is impossible to forecast what 1934 will bring forth. It may be considered, however, that foreign buyers have been purchasing to cover immediate needs only and, at the same time, foreign manufacturers have exhausted not only their own storage stocks of American tobacco but the normal stocks of American tobacco held usually by importers and dealers, in most markets.

GERMANY—The market for American tobacco in Germany during the calendar year 1933 was generally quiet, according to a report from American Consul W. A. Leonard, made public by the Tobacco Division, Department of Commerce. Although the demand improved during the last few months of the year, transactions did not reach the level of 1932.

American tobacco imports into Bremen during 1933, according to preliminary statistics, amounted to 15,322,600 pounds, as compared with 19,292,000 pounds during the preceding year of 1932, thus showing a decrease of 3,969,400 pounds or about 20 per cent. The decrease in the imports during the early part of the year was largely accounted for by a shortage of suitable grades of tobacco available for Bremen. Later in the year, exchange difficulties handicapped the importation of tobaccos into Bremen, and relatively higher prices for the American product brought about some substitution of other grades for American tobacco.

The total imports of tobacco into Bremen from all parts of the world during the calendar year 1933 increased by approximately one-third when compared with the immediate preceding year of 1932. Imports during 1933 totaled 67,728,878 pounds, as compared with 51,125,350 pounds during 1932. The imports of American tobacco constituted approximately 23 per cent. of the total tobacco imported via Bremen from all parts of the world during the year 1933, as compared with about 40 per cent. in the immediately preceding year.

The market for bright Virginia tobacco was generally quiet during the first eight months of the year, due to a premature exhaustion of the 1931 and 1932 crops. However, the market became active after the arrivals of the 1933 crop grades during September and good sales are reported to have been effected during the latter part of the year. Prices of the 1933 crop showed an upward trend and increased by approximately 50 per cent.

Transactions in the market for dark Virginia tobacco during 1933 are reported to have been smaller than in 1932, due to the 1932 crop providing only small quantities of wrapper and spinner grades suitable for European purposes. The shipments of suitable grades for the Bremen market of dark Virginia tobacco which arrived during the year found ready buyers. As is well known, certain types and grades of American tobacco are considered particularly suitable for the European trade. The market for dark Kentucky tobacco was quiet during the greater part of 1933, due to only small shipments being made during that time. Business improved somewhat when the 1932 crop arrived, but this crop supplied only a small quantity of leaf grades suitable for German purposes, the shipments of which were readily taken up on arrival.

Burley, Maryland and Ohio tobaccos are reported to have shown a decline in the market during 1933. Importers state that only small sales have been effected to German and other European manufacturers. Seed-leaf tobacco, which has not been offered in the Bremen market during recent years, was again imported in small quantities.

CUBA—In 1933, Cuba exported 29,504,143 pounds of leaf tobacco, as compared to 36,355,658 pounds in 1932, according to a report from American Consul Lee

R. Blohm, made public by the Tobacco Division, Department of Commerce. Other exports were as follows: Cigars 36,831,551 pieces (28,563,695 in 1932), cigarettes 30,792,038 pieces (41,388,248), and smoking tobacco 122,220 pounds (152,235). The total value of all tobacco exported in 1933 was $13,395,306, compared with $12,926,270 in 1932.

The United Kingdom and Spain were by far the most important destinations of cigars exported from Cuba, having taken together about 78 per cent. of the total cigar exports, followed by France, the United States, and others.

Final estimates issued by the Cuban Tobacco Commission (Comision Nacional de Propaganda y Defensa del Tabaco Habano), place 1933 production of tobacco in Cuba at 36,352,032 pounds, or 272,772 bales, against 34,692,957 pounds, or 254,154 bales, in 1932. This is an increase for 1933 of 18,618 bales or 7.3 per cent. over 1932. The 1933 area planted was 45,474 hectares, compared with 37,773 in 1932.

Fair prices were received, until recently, for lower resagoes and bancos of the Partido crop. Sales of octavos and third capaduras of the Remedios crop have been ranging from ten cents to twenty cents per pound. Lower classes of Remedios are selling at much higher prices than last year. Stemmed and unstemmed filler leaf tobacco of the Santa Clara crop are offered for export around twenty-five cents and forty-five cents per pound respectively. Lower grades of tobacco from the various Vuelta Abajo sections have been sold at very good prices. Good tobacco leaf has not been moving as well as the lower grades in all varieties as the market cannot now absorb the higher priced weed.

Production for 1934 will, from present indications, be smaller than for many years in all five districts, including Remedios. Too much rain fell in the autumn to permit the planters to prepare and seed the ground, and although the crop may still be of good quality in some sections, it cannot be large. Farmers in all these areas, including the Partido, have been gradually reducing their acreage as a result of the smaller demand from year to year and lack of financial means to seed even the normal acreage. In 1934, it is stated, planters will be obliged to depend more on their own financial resources, foreign capital, employed to a large extent in previous years, having been discouraged by internal disturbances in the island. In addition, efforts are being made to raise wages in general in all Cuban industries, supporting the program of the labor syndicates.

The labor situation in the tobacco industry continues to be highly involved. The struggle is between unions and not between unions and the cigar companies. The unions, through the dock workers, are making use of the boycott as a weapon. The government has not yet taken the necessary measures to settle the controversy. In the meantime, the export market situation is demoralized and shipments of cigars as well as of leaf tobacco can only be made through permission of the syndicate of harbor workers. Leaf tobacco, both stemmed and unstemmed, may still be shipped, though boycotts have also been threatened against any dealers not employing union men.

Tobacco circles in Habana show much pessimism regarding the tobacco industry in general. Retailers declare that they are making very few sales in the domestic market, warehousemen complain that the movement of leaf tobacco has never been so slow, cigar manufacturers contend that they have been obliged to curtail production because of the difficulty encountered in loading cargo for export, and cigarette manufacturers show a steady drop in sales since January 1, 1932.

BULGARIA—Preliminary estimates show that total exports of leaf tobacco from Bulgaria at the end of 1933 will attain approximately 20,100,000 kilograms, valued at over 1,055,000,000 leva, as compared with 20,492,000 kilograms, valued at 1,078,049,000 leva in 1932, and 24,587,000 kilograms valued at 2,579,730 leva in 1931. American Consul John McArdle states, in a report reviewed by the Tobacco Division, Department of Commerce, that figures show 1933 exports to be slightly lower both in quantity and value than those of 1932, and considerably below those of 1931. Normal exports usually amounted to about 25,000,000 kilograms, valued at approximately 3,000,000,000 leva. Exports in 1933 and 1932, therefore, attain but approximately one-third of the value of exports in normal years.

The 1933 tobacco crop of Bulgaria is estimated at approximately 22,900,000 kilograms, considerably above that of 1932, 17,200,437 kilograms. It was, however, much below the crops of normal years, which usually totaled between 25,000,000 and 30,000,000 kilograms.

Planting and the gathering of the leaves were delayed about a month, because of cold weather. Climatic conditions improved later, and drying was completed under favorable circumstances, with the exception of the third picking which suffered in certain regions from the autumn rains. The crop was below the expected quantity of 25,000,000 kilograms, the better grades which are gathered on the third picking have been mainly affected.

Purchase prices in the second half of 1933 averaged somewhat over 10 per cent. above those prevailing in the first half of the year, ranging from over 10 leva per kilogram for the low grades to approximately fifty leva per kilogram for the best grades. The greater part of the 1932 crop, however, was sold at an average of twenty to thirty leva per kilogram.

GREAT BRITAIN—Figures given in the Annual Report of the British Customs and Excise for the fiscal year ending March 31, 1933, reviewed by American Trade Commissioner James Somerville, Jr., in a report to the Tobacco Division, Department of Commerce, show a gradual increase, over a ten-year period, in the quantities of Empire tobaccos consumed, that is, from 9,369,236 pounds in 1923-24 to 32,499,059 pounds in 1932-33. The largest single advance was in the last year of this period, which showed an increase of 4,619,765 pounds. This increase was unexpectedly large, and is explained as having been "stimulated" by the 1931 increase in duty, which, for the most part, the tobacco trade did not pass on to consumers in increased prices. The chief cause of the advance of Empire tobaccos was the advantage which they have enjoyed of a preferential duty.

The quantity of foreign tobacco retained for consumption in 1932-33 was 118,027,457 pounds, which compares with a figure of 119,440,834 for the year 1923-24. The increase which has taken place in the total consumption of tobacco during this period from 128,810,070 pounds in 1923-24 to 150,526,516 in 1932-33, has been entirely to the advantage of Empire tobacco.

It is noted that the Board of Trade import returns for the eleven months ending November 30th suggest that a steady advance in the relative importance of Empire tobacco imports has been checked

*(Continued on Page 16)*



# The Effects of Cigarette Smoking Upon the Blood Sugar

**By Profs. HOWARD W. HAGGARD and LEON A. GREENBERG**

**Laboratory of Applied Physiology, Yale Univsrsity**

THE gratification derived from smoking has always been rather a mystery. Exactly what elements in the smoke exert the pleasurable physiological effects has never been determined, nor precisely what these effects are. Numerous theories have been advanced. But these theories merely show how little is known.

Tobacco differs from other leafy vegetables in its characteristic alkaloid. That alkaloid, nicotine, is named for Jean Nicot, who introduced tobacco chewing to Catherine de Medici. Nicotine is a powerful drug. It paralyzes nerve ganglia when applied directly to them. But it has not been shown—and it is on the whole improbable—that this property of nicotine accounts for the effects of tobacco smoking.

Chemists have pointed to the carbon monoxide in tobacco smoke and have suggested that it is a cause of the ill effects, if not the pleasure, of smoking. But in fact a heavy smoker accumulates less carbon monoxide than does the non-smoker who takes a walk on Fifth Avenue, New York, during the hours of heavy automobile traffic.

Other products of combustion, notably pyridine, have likewise been suggested; but they occur, not only in tobacco smoke, but also in the smoke from other vegetable matter, such as corn silk, maple leaves and coffee beans. That these substances do not contribute appreciably to the gratification of smoking is conclusively demonstrated by the fact that few smokers adhere to the juvenile substitutes for tobacco. Such substitutes are cheap, yet tobacco maintains its popularity. Why tobacco?

The answer we believe is nicotine. Smoking, we find, produces a definite, although temporary, increase in the concentration of blood sugar, and a corresponding increase in the rate of sugar combustion in the body. These effects are certainly due to the nicotine of the tobacco and they arise from the action of this alkaloid upon the adrenal glands. There can be little doubt that this is the source of at least a considerable part of the gratification from smoking.

Our observation of the hyperglycemia from smoking occurred by chance. We had been investigating the question of the optimum mealtime interval—how often should children, college students and industrial workers be fed. To this end we determined the rerpiratory quotients at hourly intervals during the day, on several hundred subjects. In a number of cases the concentration of sugar in the arterial blood was compared with the respiratory quotient.

On some days the subjects fasted; on others they ate from one to five meals, variously spaced. As was to be expected, the respiratory quotients of the fasting subjects fell to values between .78 and .82 and the blood sugar to .08 and .10 per cent. In the subjects who ate, both the respiratory quotient and the blood sugar rose after the meal; but within two to four hours, if another meal was not taken, it fell again to the fasting level. When this fasting level was reached, it was maintained in a great majority of the subjects with little change for many hours. A few, however, exhibited sudden fluctuations of considerable magnitude in both the respiratory quotient and blood sugar.

Such fluctuations never occurred among the children. All the adults were free from emotional disturbances which might explain them. A search for the cause of the divergent values suggested that it was associated with smoking.

The respiratory quotients and blood sugars before and after smoking were then studied in a number of subjects. The results showed that when the respiratory quotient is above .85 and the blood sugar correspondingly above .13 per cent., the smoking of a cigarette has no appreciable influence upon either. When, however, the respiratory quotient and blood sugar have fallen below these values, and especially when the fasting level has been reached, the smoking of a cigarette is followed by a rise in both. Values are attained within fifteen minutes as high as .85 or .90 for the respiratory quotient and .12 or .14 per cent. for the sugar. During the next thirty minutes the values fall gradually to, or slightly below, those observed before the cigarette was smoked.

It is a well-known fact that injection of nicotine into animals is followed by a temporary rise in blood sugar. But so far as we can find no one has previously reported a similar rise in man resulting from the nicotine of tobacco smoke.

From animal experimentation it is well established that it is the action of nicotine upon the adrenal glands which leads to the hyperglycemia. The rate of discharge of adrenalin is increased; and the liberated adrenalin exerts its characteristic gycolytic action. The glycogen stored in the liver and muscles is converted into sugar. In consequence the concentration of sugar in the blood is increased. Secondary to the rise in sugar the combustion of carbohydrate is increased and can be observed in the increase in the value of the respiratory quotient. But, as already stated, these metabolic effects do not result from smoking when the blood sugar is at a concentration above .13 per cent., as it is for two or three hours following a meal.

The acceleration of sugar metabolism thus demonstrated affords a possible explanation for the fact that smoking diminishes hunger in many users of tobacco. Hunger appears from our observations and those of other investigators to arise within a definite time after the blood sugar falls to the fasting level. Tobacco smoking, by inducing a hyperglycemia, temporarily relieves these conditions.

NOTE.—*The foregoing is reprinted, because of its interest to the trade, from the February 16th issue of* Science, *the official journal for American scientific announcements.*

## TOBACCO PRICES STRONGER

THE prices of nearly all types of tobacco showed considerable strengthening during January. In the case of Burley, the most important type marketed at this season, the prices declined until about the middle of the month, but subsequently advanced sufficiently so that the average for the entire belt, based upon weekly reports of sales supervisors at auction floor markets, during the week ended February 10th was around 11.5 cents per pound, which was nearly back to the level of the opening week of the season. Reports of the Bureau of Agricultural Economics grading service indicate that prices on a grade basis have advanced more than market averages, as some decline appears to have taken place in the quality of tobacco offered on the market. The average price for all sales in Kentucky during January of this year was 10.5 cents per pound, compared with 12.0 cents for January last year, and 8.6 cents for January, 1932, according to State reports.

Dark air-cured tobacco and the so-called Western fire-cured types showed the greatest increases in price this year, according to State reports. During January of this year, Green River (Type 36) tobacco averaged 10.1 cents per pound, compared with 3.4 cents last January and 3.3 cents two years ago. One-sucker (Type 35) tobacco averaged 6.7 cents per pound, compared with 5.0 cents last January and 3.1 cents two years ago; Virginia sun-cured (Type 37) averaged 8.4 cents during January, compared with 7.0 cents last January and 5.6 cents two years ago. Prices for the latter type have advanced greatly during the last two weeks and are now reported to be averaging above 12.0 cents per pound.

Among the fire-cured types, Kentucky sales during January this year averaged 9.8 cents per pound in the Clarksville-Hopkinsville district (Type 22), 5.4 cents in the Paducah district (Type 23), and 5.4 cents in the Henderson district (Type 24). These prices are from 32 per cent. to 196 per cent. higher than the corresponding prices for last season and are from 150 per cent. to 245 per cent. higher than those for the 1931-32 season. Only the Virginia fire-cured type, of which a large percentage of the 1933 crop was damaged by storm, has had prices this year below those of last year. The average for January, 1934, was 6.9 cents per pound, compared with 8.9 cents a year earlier and 4.7 cents in 1932.

Prices for flue-cured tobacco during January declined seasonally and averaged 14.4 cents per pound for the month, compared with 17.2 cents for December, 1933, according to State reports. The January average this year compares with 7.3 cents for January last year and 5.9 cents for January, 1932. Approximately 98 per cent. of the 1933 flue-cured crop is reported to have been sold prior to February 1st, with a crop average of around 15.25 cents per pound.

The Agricultural Adjustment Administration brought additional influences to bear upon tobacco prices during January. Three new marketing agreements were negotiated during the month, applying to the fire-cured and dark air-cured types of tobacco, thus bringing under marketing agreements all the major United States tobacco types, except cigar leaf. Preliminary steps have been taken to work out agreements for the cigar types. Under the agreements covering the fire-cured and dark air-cured types, as under the flue-cured and Burley agreements, each of the leading domestic buyers agreed to make purchases at least equal to the quantity which it manufactured last year, at prices not less than specified minimum averages. In addition, one of the agreements provides that no tobacco of any of the fire-cured or Green River types shall be purchased on an auction floor market below a fixed minimum price. Manufacturers of tobacco by-products have contracted to take all such tobacco for which no price bid is received on the market, up to a maximum of 17,000,000 pounds, at an agreed price to the grower. This tobacco is to be used only in the manufacture of nicotine, fertilizer or tobacco extract, thus removing it from ordinary commercial channels.

The use of tobacco in the manufacture of tobacco products, which is indicative of consumption, was slightly larger during December, 1933, than during December, 1932, according to reports of the Commissioner of Internal Revenue. The number of tax stamps issued for use on manufactured tobacco (smoking and chewing combined), was 8 per cent. smaller than in December, 1932, and the number issued for snuff was 24 per cent. smaller. However, in the aggregate, these declines were slightly more than offset by a 7 per cent. increase in the number of stamps issued for cigarettes and a 10 per cent. increase for cigars.

Exports of leaf tobacco from the United States in December, which totaled 60,800,000 pounds, were more than double the exports of December, 1932, and the largest for any corresponding month since 1929. Except for October, 1933, this was the second largest for any month during the last four years. Most of the increased exports took place in flue-cured tobacco, for which the quantity exported was 53,300,000 pounds, compared with 22,500,000 pounds in December, 1932, and a five-year average for December of 48,000,000 pounds. However, the December exports of all other types of tobacco, except Virginia fire-cured, showed increases over December, 1932.

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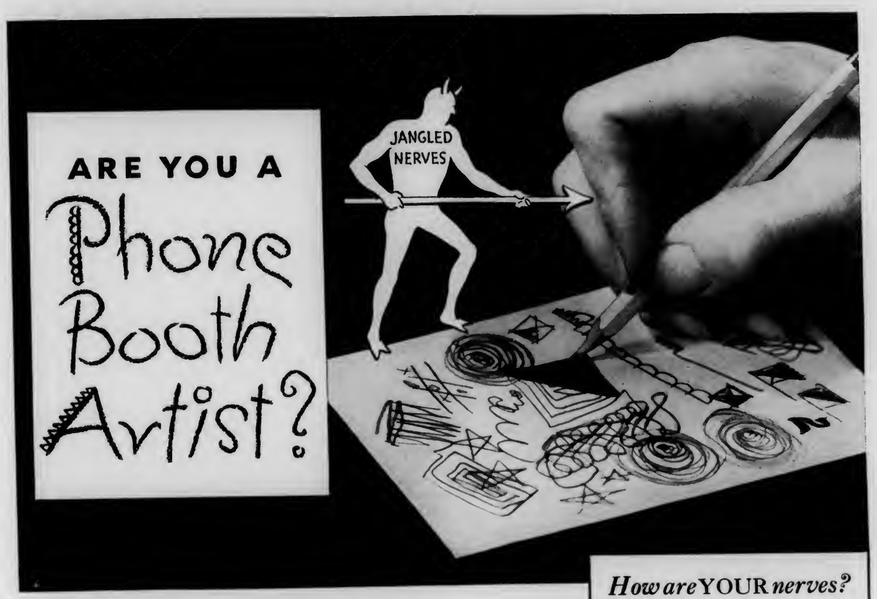
## "NEWSNAGLE AND BUDD'S STOOPREEL"

THE RADIO PREMIERE of "Colonel Stoopnagle and Budd's Newsreel of the Air," the Colonel's weird discovery of "naf" letters, and the incomparable songs of Connie Boswell were highlights of the Camel Caravan, featuring Glen Gray's Casa Loma Orchestra over the WABC-Columbia network on Tuesday, February 20, and Thursday, February 22, from 10 to 10:30 P. M., Eastern Standard Time.

The Colonel's "naf" letters were introduced on Tuesday's program. "Naf" (n-a-f) letters are the reverse of "fan" (f-a-n) letters, and the Colonel is determined to write regularly to those of his listeners whom he meets on the street. He broadcast his first sheaf of "naf" letters under strong police guard. On the same program Connie Boswell sang "On the Wrong Side of the Road" and "I Just Couldn't Take It, Baby." Kenny Sargent sang "Under a Blanket of Blue" and the Casa Loma Band played "I Never Knew" and "Mr. Rhythm Man."

On Thursday came the world premiere of "Newsnagle and Budd's Stoopreel of the Air," thrilling dramatizations of great events that will never occur and little known happenings that don't make much difference anyway. Connie Boswell's warm Southern voice was heard in "I Had to Change the Words" and "Without That Certain Thing," while the orchestra featured "Temptation," "I Got the Jitters," "Girl Friend," and "Old Man River."




Those penciled scrawls are a sign of jangled nerves

If you're the stolid, phlegmatic sort of person who doesn't feel things very deeply, you'll probably never have to worry about nerves. But if you're high-strung, alive, sensitive, watch out.

See whether you scribble things on bits of paper, bite your nails, jump at unexpected noises—they're signs of *jangled nerves*.

**So be careful. Get enough sleep—fresh air—recreation. And make Camels your smoke.**

**For Camel's costlier tobaccos never jangle your nerves—no matter how steadily you smoke.**

*How are* YOUR *nerves?*

TRY THIS TEST

Here is a series of numbers. Two numbers in this series contain the same digits . . . but not in the same order. See how fast you can pick out these two. Average time is one minute.

*Frank J. Marshall (Camel smoker), chess champion, picked the two numbers in thirty seconds.*

Copyright, 1934, R. J. Reynolds Tobacco Company

*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

**CAMELS**—SMOKE AS MANY AS YOU WANT... THEY NEVER GET ON YOUR NERVES!

**TUNE IN!** *CAMEL CARAVAN featuring Glen Gray's CASA LOMA Orchestra and other Headliners Every Tuesday and Thursday at 10 P.M., E.S.T.—9 P.M., C.S.T.—8 P.M., M.S.T.—7 P.M., P.S.T., over WABC-Columbia Network*

# All Tobacco Products Increase in January

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau (Figures for January, 1934, are subject to revision until published in the annual report):

| *Products* | *1934* | *1933* |
|---|---|---|
| | —*January*— | |
| Cigars (large): | | |
| Class A .....No. | 300,249,320 | 256,560,730 |
| Class B .....No. | 2,447,133 | 2,008,187 |
| Class C .....No. | 32,905,568 | 35,431,358 |
| Class D .....No. | 1,561,823 | 2,309,301 |
| Class E .....No. | 127,917 | 330,630 |
| Total ..... | 337,291,761 | 296,640,206 |
| Cigars (small) ....No. | 20,343,507 | 17,497,320 |
| Cigarettes (large) .No. | 8,000,050 | 253,700 |
| Cigarettes (small) No. | 11,483,341,893 | 8,622,222,367 |
| Snuff, mfd. .....Lbs. | 3,234,989 | 3,033,446 |
| Tobacco, mfd. ....Lbs. | 27,611,491 | 24,752,091 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | *1934* | *1933* |
|---|---|---|
| | —*January*— | |
| Cigars (large): | | |
| Class A .....No. | 2,517,830 | 2,665,650 |
| Class B .....No. | 2,500 | 17,000 |
| Class C .....No. | 49,500 | 9,000 |
| Total ..... | 2,569,830 | 2,691,650 |
| Cigars (small) ....No. | 110,000 | ..... |
| Cigarettes (large) .No. | ..... | 20,000 |
| Cigarettes (small) .No. | 300,000 | 200,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | *1934* | *1933* |
|---|---|---|
| | —*January*— | |
| Cigars (large): | | |
| Class A .....No. | 19,111,955 | 8,777,655 |
| Class B .....No. | 24,420 | 63,797 |
| Class C .....No. | 20,186 | 16,338 |
| Class D .....No. | 500 | 526 |
| Class E .....No. | 20 | 61 |
| Total ..... | 19,157,081 | 8,858,377 |
| Cigarettes (large) .No. | ..... | 312 |
| Cigarettes (small) .No. | 121,370 | 431,080 |
| Tobacco mfd. ....Lbs. | ..... | 20 |

**Comparative Statement of Internal Revenue Collections for the Month of January**

| *Sources of revenue* | *1934* | *1933* |
|---|---|---|
| Cigars ..... | $844,527.26 | $756,431.49 |
| Cigarettes ..... | 34,508,175.07 | 26,087,481.23 |
| Snuff ..... | 582,297.99 | 546,020.32 |
| Tobacco, chewing and smoking ..... | 4,970,241.49 | 4,488,877.72 |
| Cigarette papers and tubes ..... | 68,969,77 | 81,611.70 |
| Miscellaneous, relating to tobacco ..... | 373.20 | 75.94 |

**Withdrawals for Previous Januaries.**

| | | | |
|---|---|---|---|
| 1920 ..... | 663,634,243 | 1927 ..... | 466,078,254 |
| 1921 ..... | 462,798,039 | 1928 ..... | 413,531,675 |
| 1922 ..... | 443,260,802 | 1929 ..... | 427,715,807 |
| 1923 ..... | 559,183,386 | 1930 ..... | 418,900,080 |
| 1924 ..... | 504,023,809 | 1931 ..... | 362,939,318 |
| 1925 ..... | 474,803,054 | 1932 ..... | 342,923,509 |
| 1926 ..... | 433,672,942 | | |

## Processing Tax Returns

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public—No. 10—73d Congress), approved May 12, 1933:

| *Commodity* | *Month of January, 1934* | *Total from July 1, 1933 (Fiscal year 1934)* |
|---|---|---|
| Tobacco (tax effective October 1, 1933) | | |
| Processing tax ..... | $2,485,271.01 | $5,428,913.72 |
| Import compensating taxes ..... | 17,747.57 | 77,710.36 |
| Floor tax, other than retail dealers ..... | 66,303.87 | 1,786,578.03 |
| Floor tax, retail dealers | 11,076.34 | 234,070.47 |
| Total, tobacco ..... | $2,580,398.79 | $7,527,272.58 |

## UNITED PAYS $6,000,000 FOR WHELAN CO.

Assets of the Whelan Drug Co., subsidiary of the United Cigar Stores Co., and trading under the name of Retail Chemists Corp., were recently sold to the United Cigar Stores Corp. of Delaware for $6,000,000. field Corp. was rejected aas inadequate.

The purchase was made by the Irving Trust Co., as trustee in bankruptcy for the United Cigar Stores Co. An opposing bid of $5,179,000 made by the Branfield Corporation was rejected as inadequate.

Andred Christianson, an official of the receivership department of the Irving Trust Co., explained that the offer of the United was equivalent to a cash bid and would mean a return of a 50 per cent. dividend to the creditors of the Retail Chemists Corp.

## IMPERIAL TOBACCO OF CANADA REPORTS

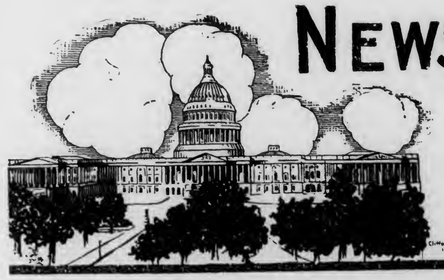
The Imperial Tobacco Co., of Canada, Ltd., reports for 1933 net profit of $5,670,176 after charges and taxes, equal after 6 per cent. dividend on the preferred, to fifty-five cents a share on 9,451,032 shares of common stock. This compares with $5,471,175, or fifty-three cents a common share in 1932. This does not include the proportion of the company's undivided profits of subsidiary and associated companies.

## ZIFFERBLATT ON MIDWEST TRIP

George Stocking, of Arango y Arango, was in town last week and reported business on the Don Sebastian line increasing steadily and beyond their expectations. Mr. Stocking is leaving this week for Florida where he will visit factory headquarters in Tampa, and laugh at us poor mortals trudging through the "beautiful" snow up north.

THE HEIGHT OF GOOD TASTE
*and in Cigarettes too — Taste is Everything*

ALWAYS *the Finest Tobacco and* ONLY *the Center Leaves*



# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

EXTENSION to small industries of the financial aid of the Reconstruction Finance Corporation is contemplated in a bill introduced in Congress by Senator Reynolds of North Carolina. Under this measure, credit would be made available to individuals and business concerns engaged in commercial, manufacturing or industrial enterprises upon the same terms and conditions as are applicable to loans made by the corporation to financial institutions.

The Federal Reserve Council is said to have given approval to the creation of a system of intermediate credit banks for the granting of credit of the character favored by the North Carolina Senator, but through a different method of approach to the problem.

Chairman Jesse H. Jones of the Reconstruction Finance Corporation is not particularly friendly toward turning that organization into a direct lending agency, preferring to have credit provided through privately operated agencies. The intermediate credit bank plan, it is believed, would satisfactorily meet the situation.

THE REPORT of the House Ways and Means Committee on the new tax bill indicated that the Treasury Department anticipates a 100 per cent. improvement in business by June 30, 1935. Total tax receipts from all sources during the fiscal year ended June 30th last, it was shown, amounted to $2,079,696,000. For the current fiscal year, the committee reported, the Treasury anticipates a revenue of $3,259,938,000, and for the fiscal year 1935 tax receipts are placed at $3,974,665,000, or practically double those of 1933.

The figures for 1934 and 1935, it was pointed out, do not take into account the additional revenue to be raised by the new tax measure, which is placed at $258,000,000 a year.

DESPITE the refusal of the House to consider the adoption of a general sales tax, proponents of the plan are preparing to bring the matter up when the measure reaches the floor of the Senate, if opportunity offers. A tax of 2½ per cent., to apply to all manufactured commodities except food and clothing, has been proposed. It is contended that some $400,000,000 a year could be raised in this way, permitting the repeal of the so-called nuisance taxes now in effect.

LABOR provisions of applicable codes are to be conspicuously posted in establishments of all employers operating under approved agreements, under regulations issued last month by Recovery Administrator Hugh S. Johnson. Failure to comply with the posting requirements will be punishable by a fine not to exceed $500 or imprisonment for not more than six months, or both.

The regulations, issued under the authority of an executive order signed by President Roosevelt, require all employers to register with their code authorities the number and locations of the establishments or separate units within thirty days.

Copies of the labor provisions of the appropriate code, carrying detailed instructions for the filing of complaints of violations, will be furnished employers by their code authorities.

ELIMINATION on January 1 next of the two-cent tax on bank checks is provided for in the revenue bill now pending in the Senate. Under existing law, this tax, from which about $38,000,000 was secured last year, would have remained in effect until July 1, 1935.

The bill also provides for continuation of the present three-cent rate of postage on intercity first class mail, which otherwise would have automatically expired on July 1st next, but vests in the President authority to order a return to the two-cent rate should the condition of the Treasury warrant such action.

The measure as passed by the House of Representatives provides for the return of second class rates of postage to the level in effect prior to the adoption of the Revenue Act of 1932.

ACCEPTANCE of recovery codes does not serve to deprive business men of any of their rights under the law, nor does failure to assent deprive them of any of the rights and remedies of the code itself other than the privilege of filing complaints with administrative agencies, it is held by Donald R. Richberg, general counsel of the National Recovery Administration, in an opinion submitted to and approved by Administrator Hugh S. Johnson.

"It is not the intent or purpose," Richberg held, "that any member of the industry assenting to the

*(Continued on page 15)*

*The Tobacco World*




# BAYUK BULLETIN

VOLUME II. MARCH 1, 1934 NUMBER 3


## PHULOFAX (*The Retailer's Friend*) SAYS

Working in a "crew" one salesman got 142 introductory orders . . . another salesman got 106 introductory orders. The fellow who got 142, secured 39 duplicate orders next trip . . . the salesman who got 106 initial orders, obtained 69 duplicate orders next trip. Which salesman *placed* the product? Which salesman *sold* the product? Which is the best salesman?

—o—

John Byder and John Feeney were "talking" after the Manufacturers' Salesmen's banquet. John Byder said, "There's only two real cigar salesmen in this whole outfit—that's me, John Byder and you, John Feeney." John Feeney said, "You're wrong—there's three real salesmen—you, John Byder and John Feeney and John Feeney."

—o—

If 1000 cigar salesmen each made just one new smoker, in a year's time a minimum of 1,000,000 more cigars would be smoked . . . don't knock any tobacco product but BOOST CIGARS!

—o—

C. R. A. writes in: "We are told that there are going to be more automobiles sold this year . . . if more automobiles, why not more cigars and why not more Class C cigars?" All right, why not? There *will* be, if we folks in the cigar business go out after *more cigar business* like the automobile fellows go out after more automobile sales. Yes, sir, it's up to us!

—o—

L. K. D., a distributor, writes: "All of my salesmen start out from jobbing house each morning and while we have a regular sales meeting every Saturday, we very frequently have from 5 to 10 minutes meeting two or three times during the week on important subjects that are better discussed daily than by waiting until end of week." Fine idea, L. K. D.

—o—

When we folks in the cigar business talk about the "cigar industry," what or whom are we talking about? What or who is the "cigar industry"? Aren't you and I and everyone in the cigar business the real sum and total of what makes up the "Cigar Industry"? Therefore, when we boost the "cigar industry," we boost ourselves! Endorse the C. B. A. NOW!

—o—

Competition can be fierce but competition must be fair! If you can beat the other fellow, do it with clean hands—and clean thoughts.

—o—

Mr. Salesman, if you were a retailer, what would *you* do to sell more cigars? Think it over, and then tell the secret to one of your customers. If it works—tell it to *all* your customers.

*Phil M. Phulofax*
D. B. I.

* *Associated with* BAYUK CIGARS, INC., *Philadelphia—Makers of fine cigars since 1897*

## MEMOIRS OF ALEX SMART

### *Super-Salesman Shows Up Sales Letter Writers*

*When a Boss needs deflating, Little Alex is the man to do the job. In this installment, Mr. Smart debunks the Salesmanager who tries to tell real salesmen how to sell.*

Another letter that this particular jobber's salesman and I had a great deal of fun over was a hooey one about certain questions you shouldn't ask a buyer. For instance (so said this one - man - brain - trust) you shouldn't ask a dealer "how your brand is selling."

Listen to this. He said it wasn't up to dealer to tell you, but up to you to tell the dealer—that nine times out of ten, you only asked that question just to break the ice and that you get yourself in a hole if the dealer, intentionally or otherwise, tries to confuse you by saying, "It doesn't sell."

Now get this—you can't do anything or say anything about your brand if it isn't selling, and you can't get an order unless it is selling, so instead of losing time by asking for an order before you know whether the brand is selling or not, don't you have to ask the dealer and find out?

Incidentally, to prove my point, I asked this very question of one of my Sales Managers and harken to his answer: "*You* would, Mr. Smart, but a great many salesmen wouldn't." I cherish that reply, 'cause it sure does show that I brilliantly stand out away from a bunch of other salesmen.

Another question you shouldn't ask a customer (so wrote the Brain Monopolizer in this sales letter) was "How's Business?" This "word-wizard" would have you believe that when you ask that question, the answer, kiddingly or otherwise, might be, "It's Bum"—and then maybe you wouldn't want to call the buyer a liar and yet if you accept his statement as being true, you lessen your chance of selling him.

That's what *he* says. I say, "Boloney" with a big B. Now, I know I can tell if business *is* bum with any dealer by figuring how he has been buying my brands, and if I come to the conclusion that business is off with him, what is the harm of having him confirm it? If business is bum, business is bum, and what can I do about it? I don't make business good or bad for my customers . . . I take business from my customers if there is any to give me . . . I'm a salesman, I am.

### *Some Fast Alibis*

Yes, I was a big help to jobbers' salesmen as a factory man . . . I gave 'em all I had, to add on to what they already didn't know.

And, as a manufacturer's salesman, I learned some of 'em how to hold out a few orders each day to provide enuf orders for the day of the big ball game. Another clever trick, since the advent of the automobile, you could always use to put over a short day's showing was the idea I initially sprung—telling the Boss "your car broke down and you lost four hours getting it fixed." The jobbers' salesmen of this country owe a great deal to me!

One time, I worked for, or was with, a manufacturer who was simply bugs on the subject of store advertising—window posters, display cards and other advertising junk. He used to preach that he didn't want "salesmen to sell cigars but wanted salesmen who could make cigars sell."

If I understand the English language correctly, and I admit that I do, I ask you, what is the difference? He used to say that "it is easy to get a dealer to buy . . . the real selling job is to help the dealer sell" and that "you get the dealer to sell by getting the consumer to buy."

Window posters! Window posters! Window posters! Gad, he tried to pound window posters into us day and night . . . he did get some of his salesmen to use window posters regularly and these salesmen usually headed the list in volume of business, but why shouldn't they? The brands sold better in their territories, and if the cigars sold better why shouldn't they get their customers to buy in bigger quantities?

**In his next and concluding chapter the greatest salesman of all time will bring his amazing intellect to bear on such knotty problems as case display and how to handle the home office. "*The Memoirs of Alex Smart* is a first-class correspondence course in salesmanship," writes one reader. We'll say so—**

**THE EDITORS.**

## DON'T BE A 1933 MODEL

This isn't last year. Business conditions in 1934 are vastly different from business conditions in 1933.

There are probably on your list a whole lot of customers whom you have been passing by because their credit was bad, or they weren't buying—or something.

Try working those worked-out claims again. Thar's gold in them hills yet.

## WHEN IS 100% NOT 100%?

A certain jobber, by dint of sweat and effort, succeeded in placing his brand in every one of the 119 outlets in one section of his territory. He was certain he had 100% distribution. And he was right—only, he was wrong.

One day, January 6th to be exact, a check-up revealed that 71 retailers out of the 119 did *not* have this brand in stock. The jobber had thought the sub-jobber was looking after these accounts.

This jobber, by the way, was not asleep at the switch. He had contacted each of the 119 accounts every two weeks. But a lot can happen in two weeks—and often does. Mr. Jobber *and* Mr. Salesman—how's *your* distribution as of *today?*

**They say McCormick invented the mechanical reaper because he was too lazy to cut his wheat by hand. There are cigar salesmen so lazy that they put up window posters to make their own work easier.**


BAYUK BRANDS BUILD BUSINESS

**Bayuk Philadelphia Perfecto**
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**


## *A Millionaire Club*

No, these boys don't adorn the top brackets on Uncle Sam's income tax blanks. They are another breed of millionaire, and not one of them inherited his millions, either. Each and every one of them got his by honest toil.

They are charter members of a club formed by the salesmen of one of the factory branches of a leading cigar manufacturer. To become eligible to membership each of these chaps had to sell at least one million cigars during 1933. Some of them sold in excess of five millions.

Mr. Jobber, how would you like to have a Millionaire Club in your sales organization? All right, what's stopping you? Let's have more and bigger and better Millionaire Clubs in 1934.

### BAYUK BUSINESS BOOMING

FROM the reports emanating from Miami and other points in Florida, it appears that sales managers and other executives of companies scattered all over the country have decided simultaneously that that state now offers the best opportunities for the stimulation of business. At any rate, they have been flocking down there in droves. Of course, the Loughran-Carnera championship fight had nothing to do with that hegira. We know that for a certainty in the case of one executive, even though he hails from the home town of the Ritner Street Adonis contending for the world's championship title.

We refer to A. Jos. Newman, vice-president in charge of sales of Bayuk Cigars, Inc., who timed his business trip to Florida when business could be done with no competition from fisticuffs, and, from all accounts, he did the business—and then came home before the title bout.

Chambers & Owens, Janesville, Wis., are doing an outstanding job promoting the sale of Bayuk Phillies in their territory, and were recently assisted by W. B. Schulte, Bayuk salesman, in a special drive on the brand.

Charles M. Sledd, Wholesale Merc. Co., Wheeling, W. Va., has been added to the Bayuk list of distributors for the Phillies cigar.

John Heffernan & Son, Champaigne, Ill., are making good inroads in Bayuk distribution and sales in their territory, and recently finished an effective campaign, assisted by Frank J. Horning, Bayuk salesman.

The multitude of friends of J. Vipond, of the Scranton Tobacco Co., have learned with pleasure that he is on the road to convalescence after an operation at the Hahnemann Hospital, Scranton, Pa.

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Benjamin Grabosky, of Grabosky Bros., Inc., Royalist manufacturers, has returned from his visit to New York State and the mid-west and reports the outlook highly encouraging for his brand. Plans are going forward at factory headquarters for the removal of their manufacturing operations to their larger quarters just a few doors away, on or about April 1st, when they will be in a position to take care of the steadily increasing demand for their brand.

## Trade Notes

James Heaney, of the American Cigar Co., was in town last week.

---

O. C. Schneider, sales manager for the Bering factory, Tampa, Fla., was a visitor at Yahn & McDonnell, local distributors of the brand, last week. The Bering cigar enjoys a good demand here.

---

William A. Copple, representing M. Marsh & Son, left the balmy (?) atmosphere of Atlantic City, where he maintains his headquarters, long enough to pay us a visit recently. He reports Marsh products enjoying a wide popularity in this territory.

---

Wm. F. Lakin, Waitt & Bond, is in town promoting the distribution and sale of the new Blackstone Panetela, through Yahn & McDonnell, local distributors of the brand. This brand has shown a surprising increase in sales since the advent of the new low price of two for fifteen cents.

---

Robert Allely, who succeeded his late father as representative of the Christian Peper Tobacco Co., St. Louis, in this territory, is now working with the various jobbers getting the "lay of the land" and rapidly gaining a host of friends among those who held his father in high esteem. The many friends of Tom Allely, whose untimely death occurred in December, are gratified that the Christian Peper Tobacco Co. has appointed Robert to carry on his father's good work for the Christian Peper brands.

---

John Wagner and Sons, local distributors of high-grade cigars and tobacco products, report an excellent business for the first two months of this year, with their Wagner brand of cigars showing a particularly good demand, and also a gratifying increase in the sale of their imported cigars, particularly in the top sizes. Stock of these imported brands is running low on account of recent internal troubles in Cuba, but new shipments are beginning to arrive and regular shipments are expected in the near future.



### NEWS FROM CONGRESS

(*Continued from page 12*)

code on the forms used by the code authority shall thereby waive or be estopped from setting up any right which such member of the industry may possess under general or statutory law against any arbitrary, oppressive, injurious or unreasonable action by any administrative official or agency under the code.

"Members of the industry not assenting to the code on the forms above mentioned cannot be denied any of the rights and remedies afforded by the code save only that they will not enjoy the right to file complaints before the administrative agencies provided for in the code. Upon acceptance of any of the benefits and advantages of the code, such members of the industry may be assessed a reasonable amount, subject to the approval of the administrator, to help defray the expenses of administering the code but not otherwise."

INDIVIDUAL members of code authorities are to be relieved of responsibility for the actions of their fellow members under a provision which has been drafted by the legal division of the National Recovery Administration and submitted to industries for inclusion in their codes. The provision is suggested as an amendment to codes already in operation, and is expected to be required by the administration in codes which have not yet been acted upon.

Necessity for the clause is due to the fact that code authorities are not Government agencies and are responsible to members of the industry for their actions, should they exceed the limits of the authority conferred upon them by their code.

It is provided that "nothing contained in this code shall constitute the members of the code authority partners for any purpose nor shall any member of the code authority be liable in any manner to any one for any act of any other member, officer, agent or employee of the code authority. Nor shall any member of the code authority, nor any agent thereof, exercising reasonable diligence in the conduct of his duties hereunder be liable to any one for any action or omission to act under this code, except for his own wilful mis-feasance or non-feasance."

### LUCIA DI LAMMERMOOR SATURDAY

On Saturday, March 3d, the complete opera, "Lucia Di Lammermoor," will be broadcast direct from the Metropolitan Opera House in New York City, over both the Red and Blue Networks of the National Broadcasting Company, through the courtesy of the American Tobacco Co. The series of world-famous operas being broadcast this season each Saturday is keeping the public reminded of the high quality of Lucky Strike cigarettes.

### DISTRIBUTORS SET PRICE

At a recent meeting of the Philadelphia Division of the National Association of Tobacco Distributors it was recommended that an established price of $1.14 a carton on the popular brands of cigarettes be maintained on sales of one to four cartons, $1.12 on sales of five to forty-nine cartons, and $1.10 on sales of fifty cartons or more. It is hoped that jobbers will realize the importance of maintaining this price and thus assist in bettering conditions in their industry.

### TOBACCO TRADE ORGANIZATIONS

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GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
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CHARLES DUSHKIND, New York, N. Y. .....
Headquarters, 341 Madison Ave., New York City

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GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

## FOREIGN MARKETS

*(Continued from Page 6)*

during the past year. Total imports of unmanufactured tobacco from the United States for this period in 1933 were 131,245,326 pounds, as against 105,615,342 in the same period of 1932, and 130,242,433 in 1931. Imports of Empire tobacco during the corresponding eleven-month periods were 47,389,372 in 1933, 45,236,680 in 1932, and 32,252,180 in 1931.

Imports of manufactured Empire tobaccos are, of course, unimportant in comparison with the imports of raw tobacco, but it is nevertheless noted that they show no signs of increase. The total imports of Empire manufactured tobacco in 1932-33 were 50,071 pounds, which compares with 56,794 pounds in the previous year and 73,514 pounds in 1930-31. The 1932-33 figure is the smallest for the ten years, and the 1930-31 figure is the largest. Cigars are by far the most important item in the manufactured tobacco category. Imports in 1932-33 amounted to 35,216 pounds, which represents a more or less steady decline since 1924-25, when imports amounted to 54,718 pounds.

During the fiscal year 1932-33, the report states, 2,436,590 pounds of tobacco were "delivered as stores" for sale on British naval and merchant vessels. Of this amount, 372,710 pounds were foreign manufactured tobacco.

SPAIN—According to a report by Acting American Commercial Attache Julian C. Greenup to the Tobacco Division, Department of Commerce, collections from the sale of tobacco from January 1, 1932, to October 31, 1932, amounted to 381.5 million pesetas, compared with 389.16 millions for the corresponding period of 1933.

CANADA—The 1933 crop of bright flue-cured tobacco in the Norfolk district was about 18,000,000 pounds compared with 27,000,000 pounds in 1932, and the quality was inferior. Due to the co-operative efforts of growers, the average price per pound obtained for the crop, however, will probably exceed that for 1932. (*American Consul John D. Johnson.*)

IRELAND—The recent improvement in trade and industry in Northern Ireland was maintained during January. The volume of business of the local tobacco manufacturing industry has been maintained at the level established in recent months. Termination of the coupon feature in merchandising has not appreciably affected sales. Several hundred workers were added to the staff of one of the local factories during the past year. The local industry is obtaining an increasing share of the tobacco business in the home market. Prospects for improved business in the linen industry as the season develops are considered favorable. The agricultural situation shows improvement. (*American Consul General Lucian Memminger.*)

PORTUGAL—During the year 1933, the commercial and industrial conditions of Portugal showed considerable improvement over those of the previous two years, notably so in the agricultural sections of the country where the harvest was good and the demand increasing. The exchange situation as regards the Portuguese Escudo has improved. Tobacco is among the principal articles imported into Portugal. (*American Consul General Carl F. Deichman.*)

# New Contract for Georgia-Florida Growers

AN adjustment plan to increase the returns of contracting growers of Georgia-Florida (type 62) cigar leaf tobacco in 1934 and 1935 has been announced by the Agricultural Adjustment Administration. Under this program by which it is hoped to restrict production of this type by 40 per cent. below the past five-year average, approximately $260,000 will be paid to producers, of which $130,000 will be paid this season if all who are eligible participate.

Under the new contract two payments will be made in 1934 to contracting producers. The first payment would be $30 per acre on the tobacco harvested, and would be paid before September 1, 1934. The second payment of $30 per acre would be made after proof of compliance with the terms of the contract has been submitted by the producer. The growers of this type of tobacco were included in the cigar-leaf adjustment program of 1933, and contracting farmers were notified December 28 that the Secretary of Agriculture would exercise his option under the original contract to restrict the 1934 acreage to approximately 2,000 acres, and to require a limitation of production as well. The new contracts ratify that option.

Acreage limitation is provided by making a "tobacco acreage allotment" to each grower. The base acreage of each farm covered by a contract is the average acreage from which tobacco was harvested in the years 1929-33, inclusive, and the allotment is equal to the base acreage, unless the base exceeds five acres. If the base exceeds five acres, the allotment amounts to two-thirds of the base. Tobacco, under the contract, can be grown only on allotted acreage.

Under the contract, production of the lower grades of tobacco, which represent a large part of the present excess supply, will be further restricted by a provision that the top four leaves of each stalk of tobacco shall be left unharvested.

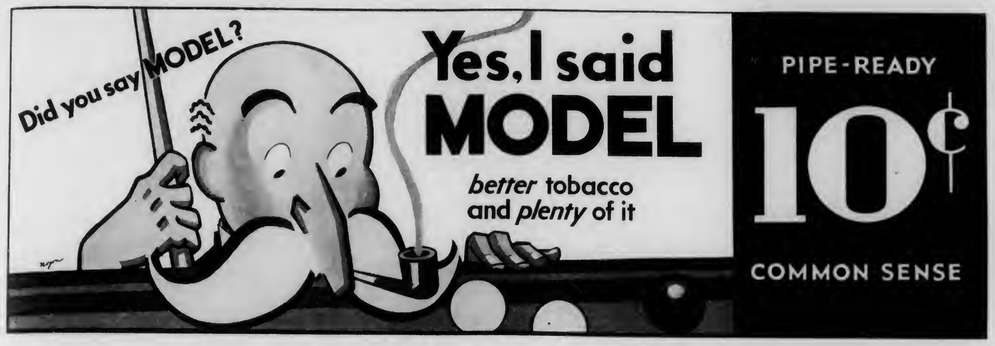
Should all growers take advantage of the program, the total crop would be 10 to 15 per cent. lower than the estimated consumption for 1934. Most of the reduction would be from lower grades which are produced at the top of the tobacco plants.

As 93 per cent. of the growers were under 1933 contracts, it is estimated that the sign-up of the new contracts will be made by practically all of the producers. The current average farm price for the types of tobacco covered is 25 per cent. below fair exchange value on the basis of crop reports. It is estimated that the signers of contracts will receive an average of 15 per cent. greater returns for their crop than those who are not under contract.

## DON SEBASTIAN SALES GOOD

George Zifferblatt, of Geo. Zifferblatt & Co., has left for a trip through the middle west visiting distributors of the Habanello brand. Reports from those points indicate an increasing demand for this popular brand, which is very gratifying, and indicative of the general increasing confidence in business conditions and future prospects.






# Seven Months Withdrawals for Consumption

| | First 7 Mos. Fiscal Yr. 1934 | —Decrease +Increase | Quantity |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| United States .. | 2,285,985,470 | + | 214,280,465 |
| Puerto Rico ... | 34,533,780 | — | 2,714,105 |
| Philippine Is. .. | 140,288,510 | + | 36,920,995 |
| Total ..... | 2,460,807,760 | + | 248,487,355 |
| Class B— | | | |
| United States .. | 20,023,035 | — | 6,444,608 |
| Puerto Rico .... | 2,148,200 | + | 2,075,700 |
| Philippine Is. .. | 106,084 | — | 388,769 |
| Total ..... | 22,277,319 | — | 4,757,677 |
| Class C— | | | |
| United States .. | 359,026,612 | — | 81,873,728 |
| Puerto Rico .... | 649,530 | — | 215,520 |
| Philippine Is. .. | 170,762 | — | 8,760 |
| Total ..... | 359,846,904 | — | 82,098,008 |
| Class D— | | | |
| United States .. | 28,053,185 | — | 3,401,335 |
| Puerto Rico ... | 1,000 | — | 500 |
| Philippine Is. .. | 1,950 | + | 74 |
| Total ..... | 28,056,135 | — | 3,401,761 |
| Class E— | | | |
| United States .. | 3,624,469 | — | 432,312 |
| Puerto Rico .... | ..... | | ..... |
| Philippine Is. .. | 2,551 | — | 24,212 |
| Total ..... | 3,627,020 | — | 456,524 |
| Total All Classes— | | | |
| United States .. | 2,696,712,771 | + | 122,128,482 |
| Puerto Rico .... | 37,332,510 | — | 854,425 |
| Philippine Is. .. | 140,569,857 | + | 36,499,328 |
| Grand Total . | 2,874,615,138 | + | 157,773,385 |
| Little Cigars: | | | |
| United States .. | 128,989,414 | — | 20,199,280 |
| Puerto Rico .... | 1,780,000 | — | 1,020,000 |
| Philippine Is. .. | ..... | | ..... |
| Total ..... | 130,769,414 | — | 21,219,280 |
| Cigarettes: | | | |
| United States .. | 65,537,569,905 | + | 5,226,991,829 |
| Puerto Rico .... | 2,836,000 | + | 827,660 |
| Philippine Is. .. | 768,090 | — | 394,680 |
| Total ..... | 65,541,173,995 | + | 5,227,424,809 |
| Large Cigarettes: | | | |
| United States .. | 9,591,900 | + | 7,729,564 |
| Puerto Rico .... | 615,000 | + | 285,000 |
| Philippine Is. .. | 6,200 | — | 4,166 |
| Total ..... | 10,213,100 | + | 8,010,398 |
| Snuff (lbs.): | | | |
| All United States. | 21,237,628 | + | 944,363 |
| Tobacco (mfd. lbs.): | | | |
| United States .. | 178,105,460 | — | 78,923 |
| Philippine Is. .. | 71 | — | 96 |
| Total ..... | 178,105,531 | — | 79,019 |

**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

Name.....

Street No.....

P. O..... State.....

Established 1886

*"BEST OF THE BEST"*

OP'TIMO
VERY MILD — VERY MILD
CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATION

**TUSCORA:—46,294.** For cigars, cigarettes and tobacco. J. J. McCauley & Son, Uhrichsville, Ohio, November 20, 1933.

### TRANSFERS

**LANTANA:—23,301** (Tobacco World). For cigars, cigarettes and smoking tobacco. Registered November 13, 1911, by Dorr Cigar Factory, Augusta, Ga. Transferred to Diamond Joe Cigar Factory, H. Fendrich, Evansville, Indiana, February 9, 1934.

**CUSTOM MADE:—46,290** (Tobacco Merchants' Association). For cigars only. Registered November 14, 1933, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to Deisel-Wemmer-Gilbert Corp., Detroit, Mich., February 6, 1934.

**SANCTION:—32,780** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered May 22, 1907, by Geo. Schlegel, New York, N. Y. Transferred to G. A. Kohler & Co., Yoe, Pa., February 15, 1934.

### ADJUSTMENT PAYMENTS TO FARMERS

PAYMENTS of $1,546,175 had been made to 30,644 tobacco farmers up to February 1 in the adjustment program of the Agricultural Adjustment Administration, summaries announced by the Administration show. Following is a tabulation of the payments by states: Connecticut, $188,097.59; Florida, $63,553.65; Georgia, $22,035.60; Illinois, $267.95; Indiana, $1,529.95; Massachusetts, $92,377.10; Minnesota, $18,061.41; New Hampshire, $2,288.60; New York, $23,380.53; Ohio, $282,615.63; Pennsylvania, $434,458.08; Vermont, $2,604.05; Wisconsin, $414,904.06.

"What a welcome visitor THE TOBACCO WORLD must be to wholesalers and retailers!

"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

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# THE TOBACCO WORLD

13
2

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol 54 MARCH 15, 1934 No. 6

WE have been re-reading, with much interest, a copy of William W. Young's "The Story of the Cigarette," published in 1916. We mention the date because most of our thinking, as we lay down the book, has to do with the almost unbelievable changes that have taken place in the cigarette industry since the book was written. It happens that our copy is a presentation copy, bearing a typewritten note from George W. Hill, at that time vice-president of the American Tobacco Company. In this note, after pointing with pride to the table showing the growth of cigarettes from 1,750,000 in the year 1869 to 16,427,086,000 in the year 1914, the last year for which there was an official record at the time the book was written, Mr. Hill added: "I have no hesitation in going on record that the years following 1914 will show far greater increases than those preceding 1914."

WAS George W. Hill a good prophet? We'll say he was. We're not going to bore you with a mass of figures, showing the stupendous growth of cigarette consumption since the first year of the World War. You're familiar in a general way with them, anyway. But you will probably be thrown for a loop, as we were, to learn that in the single year of 1933, which was the nineteenth year following 1914, more cigarettes were made and sold than during the entire nineteen years ending with the year 1914. That's growth, if you ask us.

Another significant fact about the Young volume is that 160 of its 281 pages, nearly 60 per cent. of its contents, are devoted to a defense of the cigarette. We refer to the chapter headings: "Chemistry of the Cigarette," "Scientific Views on Smoke," "Popular Errors About Tobacco," "The Voice and Smoking," "The Question of Excess," "The Cigarette in War," "The Cigarette and the Youth," "Smoking and Efficiency," and "Cigarette Legislation."

What a far cry that is from the present attitude toward the cigarette! The cigarette today needs no defense. Anybody who wants a defense can find it in the way the cigarette helped people to carry on during the last four years.

On the contrary, you find a general acceptance of the cigarette, and a disposition to find the scientific reason for the pleasure which arises from smoking, as witness the findings of the two Yale professors, as reported in the last issue of THE TOBACCO WORLD. An editorial comment on their scientific paper is so pat that we cannot resist the temptation to reproduce it here, because of its interest to the trade. It is from the *Hartford* (Conn.) *Times*, and runs as follows:

THE saying that where there is much smoke there must be some fire—perhaps including the glow of revived zest and the warmth of new sociability—may describe that a good smoke causes the smoker to be more cheerful, but it does not explain why this should be so. We now have it on good authority that the scientific explanation of the amazing cycle—tobacco—fire—smoke—cheerfulness—may be stated in terms of sugar.

"Two Yale laboratory technicians have come to the conclusion, as the result of their experiments, that 'smoking produces a definite, although temporary, increase in the concentration of blood sugar, and a corresponding increase in the rate of sugar combustion in the body.' There you have it—more blood sugar, and faster use of it, account for the smoker's pleasurable feeling of well-being, affability and goodwill toward all men.

"There is more to the explanation, but the further statement is not very revealing to the uninitiated in bio-chemistry. The sugar refueling, it seems, is brought about by the nicotine of tobacco acting as an alkaloid on the adrenals. It may be best to leave the explanation in terms of blood sugar. The term connotes many things in connection with a pleasant smoke, such as smothered feelings, pleasant anticipations, engaging reveries, and the freedom to ask any colleague of the realm of the tobacco-sugar mystery, for a cigarette, cigar, or, at least, a match."

WHY do we smoke? asks Louis Nicholas, in a recent release of his syndicated newspaper feature, "March of Science." In other words, what specifically is responsible for the pleasure derived from tobacco? Some psychologists, he writes, hold that it is purely a responsive habit; that the stimulus obtained from nicotine can be replaced by synthetic measures. For instance, Knight Dunlap, professor of psychology at Johns Hopkins University, has gone so far as to advise the substitution of a rubber cigarette for the real article when someone wanted to stop smoking. He, of course, apparently disregards the effect of tobacco on the human system, believing that the cigarette habit is largely mental.

"Recent experiments trace the reasons for smoking to the absorption of minute doses of nicotine by the body. The results, announced by Drs. H. W. Haggard and Leon A. Greenberg, dispel a great many former theories, one of which held that the satisfaction of smoking was linked with pyridene, a product of combustion.

"Pyridene, it was pointed out, occurs in such a juvenile substitute as cornsilk, yet the inveterate smoker does not rely upon cornsilk."

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Stocks of Leaf Tobacco on Hand

STOCKS of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,181,119,000 pounds on January 1, 1934 compared with 2,144,733,000 pounds on January 1, 1933. This is an increase in the total stocks of 36,386,000 pounds over the stocks of a year ago January 1. From October 1, 1933 to January 1, 1934 total stocks increased 173,084,000 pounds. The increase during the same period of 1933, namely from October 1, 1932 to January 1, 1933, amounted to only 49,722,000 pounds.

Stocks of flue-cured tobacco on hand January 1, 1934 were 858,124,000 pounds, compared with 769,497,000 pounds on January 1, 1933, an increase of 88,627,000 pounds over the holdings of a year ago. During the fourth quarter of 1933 flue-cured stocks increased 252,414,000 pounds compared with an increase of only 48,989,000 pounds during the fourth quarter of 1932. The stocks of Type 11 on January 1, 1934 were reported as 348,966,000 pounds; Type 12 as 303,326,000 pounds; Type 13 as 146,713,000 pounds; and Type 14 as 59,119,000 pounds. The detailed report by groups of grades shows about the same proportion of tobacco in the various groups as previous reports have shown.

Stocks of fire-cured tobacco were reported as 170,761,000 pounds, on January 1, 1934 compared with 187,422,000 pounds on January 1, 1933. Total fire-cured stocks were nearly 17 million pounds lower than they were a year ago January 1, and about 26 million pounds lower than on this previous quarter. Virginia fire-cured, Type 21, stocks reported as 23,109,000 pounds on January 1 were about 8 million pounds lower than a year ago. Type 22, reported as 105,487,000 pounds also showed a decrease of about 8 million pounds under the January 1, 1933 stocks. Type 23 stocks reported as 38,574,000 pounds were only a little over a million pounds lower than on January 1, 1933 and showed an increase of 11,612,000 pounds over the previous quarter holdings. Stocks of Henderson Stemming, Type 24, were reported as 3,591,000 pounds on January 1, 1934.

Burley stocks were about 34½ million pounds lower on January 1, 1934 than they were at the beginning of 1933. The January 1, 1934 report shows 585,252,000 pounds of Burley on hand compared with 619,690,000 pounds on hand the previous year and 615,930,000 pounds on the previous quarter. Maryland tobacco stocks were slightly lower on January 1 than they were on October 1, 1933, at which time they reached a record high, but they are still considerably higher than the average stocks over a period of years. The January 1, 1934 report shows 37,989,000 pounds of Maryland tobacco on hand.

One-sucker stocks on January 1, 1934 amounted to 27,384,000 pounds, 6,670,000 pounds lower than on January 1, 1933 and about 3 million pounds lower than the October 1 stocks. Green River stocks reported as 35,101,000 pounds on January 1, 1934 were slightly higher than a year ago. Virginia sun-cured stocks totaled 2,284,000 pounds on January 1, about a million pounds lower than the previous year's stocks. Miscellaneous domestic stocks were reported as 2,184,000 pounds and foreign-grown other than cigar leaf as 74,034,000 pounds on January 1, 1934.

Stocks of American-grown cigar filler types amounted to 167,953,000 pounds on January 1, 1934, compared with 177,083,000 pounds on January 1, 1933, a decrease of 9,130,000 pounds. Type 41, Pennsylvania seedleaf stocks on January 1, 1934, were 91,672,000 pounds; Type 42, Gebhardt, 21,376,000 pounds; Type 43, Zimmer, 25,585,000 pounds; Type 44, Dutch, 7,339,000 pounds; Type 45, Georgia and Florida sungrown, 1,503,000 pounds; and Type 46, Porto Rican, 20,487,000 pounds. The detailed report shows about 75 per cent. of the total filler type stocks in the C group, and about 23 per cent. in the X group.

The cigar binder type stocks were a little over 4 million pounds higher on January 1, 1934 than they were on January 1, 1933. Total binder type stocks were reported as 194,179,000 pounds on January 1, 1934. Of this total 35,238,000 pounds were Type 51, Connecticut broadleaf; 34,486,000 pounds, Type 52, Havana seed; 4,136,000 pounds Type 53, New York and Pennsylvania Havana seed; 75,095,000 pounds Southern Wisconsin; and 45,224,000 pounds Northern Wisconsin. The detailed report by groups of grades shows that of the total binder type stocks reported 4,714,000 pounds are of wrapper quality, 69,850,000 pounds are binders, 11,442,000 pounds are fillers, and 107,889,000 pounds are stemming grade or X group tobacco.

Shade-grown wrapper type stocks were 1,324,000 pounds lower on January 1, 1934 than on January 1, 1933. The January 1 report of this year shows 14,779,000 pounds on hand. Connecticut Valley Shade, Type 61, stocks were 10,821,000 pounds, and the Georgia and Florida shade, Type 62, stocks were 3,958,000 pounds. Of the total shade tobacco stocks reported 10,203,000 pounds are shown in the A group as being of actual wrapper quality.

Foreign cigar leaf tobacco stocks were reported as 11,095,000 pounds on January 1, 1934 compared with 11,879,000 pounds on January 1, 1933.

# American Tobacco Company Report

THE American Tobacco Company, in a statement issued to stockholders, reports net income for the year 1933, after depreciation, taxes, etc., of $17,401,207.93. While this figure is approximately $26,000,000 less than the net for 1932, Mr. George W. Hill, in a letter accompanying the statement, points out that early last year it became evident that profits for 1933 must be subordinated to the more important consideration of maintaining volume of unit sales. To meet this problem successfully, it was necessary to reduce the price of Lucky Strike Cigarettes to a level which allowed only a very small profit. The report for 1933 reflects this sacrifice of profits.

In continuing, Mr. Hill states that "it is gratifying to state that, as a result of this policy, unit sales of the standard package of Lucky Strike Cigarettes increased substantially over those of the preceding year. At the same time our Company has given its best co-operation to the Government program of increasing the purchasing power of the farmer and the wage-earner.

"In January of this year, due to increased costs and in view of better business conditions, cigarette prices were increased. Under these improved conditions, we are hopeful that our volume can be maintained in 1934 at a fair price level."

Operating profit of the company before depreciation and all classes of taxes, was $18,500,528. Dividends received from wholly or partially owned subsidiaries, and other dividends and income brought this figure up to $23,473,821. Deductions for premiums on bonds purchased and cancelled, interest, discount, etc., and including a net loss on sale of securities of $144,970, reduced this figure to $23,185,966. Further deductions for depreciation, State and Federal taxes, reduced net income for the year to $17,401,207.93. Out of this net figure, $3,161,982 was paid in dividends on the 6 per cent. preferred stock, and the balance of $14,239,225.93 equivalent to $3 a share on the common shares, was added to surplus account, which prior to that time totaled $118,107,617.47. From this account, $23,719,148.75 was paid out in dividends on the common stock, leaving a balance in the surplus account at the end of 1933 of $108,627,694.65.

The consolidated balance sheet of the company at the end of 1933 sets forth assets and liabilities as follows:

| | | |
|---|---|---|
| **ASSETS:** | | |
| Cash | | $ 32,958,634.17 |
| Accounts receivable | | 10,057,272.62 |
| Bills and mortgages receivable | | 2,601,496.99 |
| Leaf tobacco, manufactured stock, operating supplies, etc., at cost | | 115,480,476.52 |
| Prepaid insurance, etc. | | 473,660.37 |
| Accounts receivable from subsidiary and affiliated companies | | 1,516,535.52 |
| Stocks and bonds: | | |
| Capital stocks of partly owned domestic and wholly owned foreign subsidiaries | $42,367,800.28* | |
| Treasury stock at cost: 11,200 shares of common stock and 55,362 shares of common stock B... (At market prices February 14, 1934, $5,014,071) | 2,825,037.02 | |
| Other investments, at amounts not in excess of cost (At market prices February 14, 1934, $4,671,058) | 5,492,972.04 | |
| | | 50,685,809.34 |
| Real estate, machinery, fixtures, etc., at cost (less reserves for depreciation, $10,107,493.30) | | 21,349,200.71 |
| Brands, trade marks, patents, good will, etc. | | 54,099,430.40 |
| | | $289,222,516.64 |

*The American Tobacco Company's equity in the net assets of these subsidiaries, as shown by their balance sheets at December 31, 1933, (net assets of foreign subsidiaries converted at par of exchange) including intangible assets of $3,973,748.45, aggregated $43,451,351.96.

| | | |
|---|---|---|
| **LIABILITIES:** | | |
| Accounts payable | | $ 1,079,000.40 |
| Bond interest accrued | | 16,043.42 |
| Accounts payable to subsidiary and affiliated companies | | 1,068,155.74 |
| Provision for dividend on preferred stock, for quarter ended December 31, 1933, payable January 2, 1934 | | 790,495.50 |
| Provisions for advertising, taxes, etc.. | | 5,360,402.93 |
| Six per cent. bonds, maturing October 1, 1944 | | 145,950.00 |
| Four per cent. bonds, maturing August 1, 1951 | | 831,250.00 |
| Scrip and convertible dividend certificates not yet presented for redemption or conversion | | 8,049.00 |
| TOTAL LIABILITIES | | 9,299,346.99 |
| **CAPITAL:** | | |
| Capital stock: | | |
| Preferred, six per cent. cumulative, par value $100 per share, authorized 540,106 shares, issued and outstanding 526,997 shares | $ 52,699,700.00 | |
| Common, par value $25 per share, authorized 2,000,000 shares, issued 1,609,696 shares | 40,242,400.00 | |
| Common B, par value $25 per share, authorized 4,000,000 shares, issued 3,134,135 shares | 78,353,375.00 | |
| | $171,295,475.00 | |
| SURPLUS, including $29,451,261.88 paid in | 108,627,694.65 | |
| | | 279,923,169.65 |
| | | $289,222,516.64 |

# Leaf Tobacco Code Hearing

Public hearing on a proposed code of fair competition for the leaf tobacco dealers, redryers, packers and storers, has been ordered by Secretary Wallace, with the hearing set for 9.30 A. M., Wednesday, March 21, at the Mayflower Hotel. Harry C. Cook has been designated as the presiding officer. The proposed code covers the business of packing, redrying, stemming, storing, and rehandling tobacco bought in its unstemmed form. Administration of the code would be by a code authority of five members.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

INDEFINITE postponement of the hearings on tobacco taxes which were scheduled to begin March 12 has been ordered by the House Ways and Means Committee because of the tariff legislation asked by President Roosevelt. The study of tobacco levies was designed to explore the situation arising out of the complaints of manufacturers of ten-cent cigarettes that they could not successfully compete with the slightly more expensive brands so long as they were required to pay a tax of six cents on each package.

Beause of the importance of the tariff legislation, it was deemed best to postpone the study of taxation until the legislation giving the President authority to consummate reciprocal trade agreements with other governments, in the making of which he would be empowered to reduce or increase existing rates of duty by not more than 50 pr cent., was out of the way.

Introduction of the tariff measure followed receipt at the Capital March 2 of a message from President Roosevelt, in which he pointed out that other countries are to an ever-increasing extent winning their share of international trade by negotiated reciprocal tariff agreements and declared that "if American agricultural and industrial interests are to retain their deserved place in this trade the American Government must be in a position to bargain for that place with other governments by rapid and decisive negotiation based on a carefully considered program, and to grant with discernment corresponding opportunities in the American market for foreign products supplementary to our own.

"If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded," he warned.

HOLDING that both Federal and State governments have the right to regulate and fix prices, along with their power of other regulations in the public interest, the United States Supreme Court this month placed its seal of approval upon any cost or price fixing provisions authorized under the national recovery or agricultural adjustment acts. The court upheld the conviction of a New York grocer charged with evading the New York State milk law fixing the price at nine cents per quart and prohibiting any subterfuge for reducing the price, by giving away a loaf of bread with two quarts of nine-cent milk.

The decision was reached by a five-to-four vote, as in the recent liberal decision upholding the Minnesota mortgage moratorium statute.

"A state is free to adopt whatever economic policy may reasonably be deemed to promote public welfare, and to enforce that policy by legislation adapted to its purposes," the court held. "The courts are without authority either to declare such policy or, when it is declared by the legislative arm, to override it. If the laws passed are seen to have a reasonable relation to a proper legislative purpose, and are neither arbitrary nor discriminatory, the requirements of due process are satisfied.

"And it is equally clear that if the legislative policy be to curb unrestrained and harmful competition by measures which are not arbitrary or discriminatory, it does not lie with the courts to determine that the rule is unwise.

"If the law-making body within its sphere of government concludes that the conditions or practices in an industry make unrestricted competition an inadequate safeguard of the consumer's interests, produce waste harmful to the public, threaten ultimately to cut off the supply of a commodity needed by the public, or portend the destruction of the industry itself," the decision continued, "appropriate statutes passed in an honest effort to correct the threatened consequence may not be set aside because the regulation adopted fixes prices reasonably deemed by the legislature to be fair to those engaged in the industry and to the consuming public."

OFFICIALS of the National Recovery Administration and the Treasury Department are studying plans for advancing credits to small businesses, possibly with a partial guarantee, as a means of aiding establishments which find themselves in difficulties as a result of the application of code provisions which increase their production costs. The administration has before it a plan for the granting of three-year loans up to $12,500, the Government to guarantee up to 80 per cent. There are also under consideration recommendations for creating a new method to provide capital loans of up to $50,000 for a period of five to seven years.

In all probability, these loans would be made through intermediate credit banks to be established under a plan said to have already been approved by the Federal Reserve Council.

*(Continued on Page 17)*



# Musings of a Cigar Store Indian

**By Chief "Young-Man-Smoke-Cigars"**

FOR the pleasure of those readers who have expressed their interest in our previous researches, we are glad to reprint some paragraphs from "The Passing of the Wooden Indian" by John L. Morrison in the October, 1928, issue of *Scribners'*. It is described as "a lively article about the static cigar store braves who have almost become only a memory and a simile. Well-known sculptors have carved them, curious people such as Ed Hen have owned them—and Mr. Morrison collects them." The article, by the way, is illustrated by photographs from the author's collection.

EVERYBODY knows what a wooden Indian is, but nobody knows where a wooden Indian is. A survey of the home town will confirm this. If the home town be Chicago, Brooklyn, Minneapolis or Baltimore, there is only one red brother in wood keeping lonely vigil, while in New Orleans, Cleveland, Washington, Los Angeles, Boston, Pittsburgh, Denver, Atlanta, Louisville or Detroit, not a lone chief or squaw stands in solid dignity and beckons the devotee of the weed. Manhattan has two, San Francisco and Cincinnati a few, St. Louis proper three, Kansas City two, Milwaukee two, Philadelphia three, and London a corporal's guard. Reference is to cigar-store Indians on duty on the traditional spot, the sidewalk. A few are kept inside tobacco shops as relics. Some are safe in museums. Others, but not many, are cached by hopeful dealers in antiques.

THE zero hour for cigar-store Indians in the big cities struck years ago, as the most casual observer knows, but a popular impression obtains that tobacco shops in the smaller towns and villages are still sentinelled by Indians galore, bearing the open box of solid-pine cigars and gazing thoughtfully toward the nearest ocean—there only a few years ago, possibly, but gone now—gone so quickly and silently that no one has missed them.

WOODEN Indians are not indigenous to American soil. As early as the reign of James I the wooden Indian was a familiar sight in Merrie England. There's pictorial evidence he was no novelty in 1617, the year Pocahontas died, the year prior to Sir Walter Raleigh's beheading, and only twelve years after the well-known and justly celebrated Gunpowder Plot of Mr. Guy Fawkes. The figure has character, though the cigar looks more like the horn of plenty on the old courthouse facade or in one of those symbolic things about labor, commerce and agriculture. The sculptor doubtless never saw an Indian. Little wonder that a writer, two hundred and fifty-nine years later, described it as a 'negro.' Europe had settled down in the belief that the American Indian wore no clothes except a kilt of tobacco leaves—a wonderful triad of utility when one thinks of it, at once nether apparel, currency and the makin's, to be drawn on at will, up to certain limits of decency. The London types were so Africanic that the public dubbed them 'black boys' for two hundred years or more, although there was a nearer approach to anthropological accuracy in the 'Virginie-man,' both types later superseded by the 'Highlander.'

THE woodcut of this ancient Indian shows him against a background indicative of an apothecary's shop. Tobacco was first sold by apothecaries, and the thrill of edging quietly to the prescription desk is nothing new; in 1617, on presentation of proper prescription, one could get genuine pre-Gunpowder Plot Old Hispanola leaf for family and medicinal use. The figure stood on the counter and not in front of the shop. Nearly three hundred years later this was still the custom in the Netherlands; indeed, figures twenty-two to thirty inches in height, generations later, were to be seen occasionally in tobacconists' windows in New York.

FAR be it from me to cast the slightest aspersion on our European ancestors, especially the Nordic; but from all accounts, while everybody in the 1500's believed in signs, those which were to be seen rather than read were most esteemed, such as the signs of the Zodiac, exemplified, for some unaccountable reason, in almanacs by a rather comely gentleman with a recent major abdominal section, the ends neatly turned back, exposing his internal economy to the vulgar gaze.

IT WOULD be too encyclopaedic to record the Old World history of collateral and variant tobacco signs and figures, such as the tobacco rolls, the quaint painted boards proclaiming the joys of snuff-taking, smoking and drinking (chewing). While the Indus americanus woodensis originated in England, it was on the American soil he reached his grandeur of lineament and war paint. Of the early wooden Indians, an odd, cupidlike Pocahontas that once stood guard on Hancock Street, Boston, dates from 1730, admiring friends say. The pioneer authenticated appearance of a cigar-store show figure was in 1770, when Christopher Demuth opened his little tobacco shop in Lancaster, Pa., not likely the

first of its kind in America but among the earliest and today the oldest. While the pioneer Demuth vended both cigars and snuff, the latter was the more popular; therefore it is not surprising that the figure he selected was not that of a noble denizen of the trackless forest, but a delicate minuet-type gentleman extending a snuff box invitingly. For a century and a half this figure, made by an unknown American wood carver, stood vigil, a familiar figure to Revolutionary soldiers, Conestoga wagon crews, and travelers on this old highway to over the Alleghanies, the Far West of that day. The figure, in recent years, has stood inside the shop.

BALTIMORE had cigar-store figures before 1780, according to local tradition, but, excepting an importation in 1830, there is a hiatus in the history of wooden Indians until the forties. D. H. McAlpin's tobacco store, Catherine Street, New York, was sentinelled by a short, swarthy, dignified Indian as early as 1840; he followed his owner to 77 Avenue D in 1866, and, in the eighties, to the 'uptown' factory at Avenue D and 10th Street, finally retiring from the tobacco world to the hostelry bearing his master's name, spending his time in the lobby, almost invariably near the cigar counter."

# 95 Per Cent. of Farms Under Contract

COMPILATION of the results of the sign-up of the flue-cured tobacco adjustment contracts indicates that producers have offered contracts to cover approximately 95 per cent. of the eligible farms, it has been announced by the Agricultural Adjustment Administration today. The sign-up represents more than 100,000 contracts from the flue-cured area, according to officials of the Tobacco Section. The distribution of contracts, by States, is as follows: Virginia, 11,000; North Carolina, 65,000; South Carolina, 16,000; Georgia, 12,500; and Florida, 1000.

Approximately 1500 flue-cured contracts have been received in Washington and are now being passed upon for rental payments at the rate of $17.50 per acre for each acre taken out of tobacco production under the contract terms. Applications for price-equalizing payments accompanied a number of these contracts, and checks covering these applications will go out with the first payment checks. Thus far the only contracts accepted in the State offices and sent to Washington for acceptance and payment were those in which the 1933 production was substantiated by acceptable documentary evidence and in which the signer selected 80 per cent. of the 1933 acreage and production as the base acreage and production for his farm.

Because of the over-run in both acreage and production in 1931 and 1932, and in production for some counties in 1933, adjustments must be made that will bring the contract figures into line with official figures. Every effort is being made to have individual producers adjust their figures and thereby obviate the need for applying a pro rata cut to all contract claims.

Applications for price-equalizing payments, which are provided at the rate of 20 per cent. of the net sales value of the 1933 tobacco sold before September 25th, and 10 per cent. of the net sale value of such tobacco sold after September 25th and before the marked advance in price have been made by practically all of the contracting farmers in Georgia, Florida, South Carolina, border counties of North Carolina, and by a large number in the new and middle belt of North Carolina.

The price-equalizing payments are to be made to compensate, in so far as possible, those producers who sold their tobacco before improvement in prices resulted from the sign-up of contracts and the flue-cured marketing agreement. These payments of approximately $4,300,000 will be divided between States, as follows: Florida, $70,000 to 800 producers: Georgia, $1,030,000 to 10,000 producers; South Carolina, $1,165,000 to 12,000 producers; and North Carolina, $2,010,000 to between 30,000 and 40,000 producers.

Producers' claims regarding sales upon which the price-equalizing payments will be made, are substantiated by evidence prepared from warehouse records under the direction of the Tobacco Section. This work is practically completed, and applications for payments will be reviewed with the corresponding production adjustment contract. Checks for these payments are expected to accompany the rental payments.

# W. W. Wagner on State Liquor Board

ANNOUNCEMENT was made last week of the appointment of W. Worrell Wagner, former member of the firm of John Wagner & Sons, Dock Street, distributors of high-grade cigars and tobacco products, as a member of the Pennsylvania Liquor Control Board, thus bringing the Board to its full quota of membership (three members), and at the same time placing on the Board one of the best qualified men in the State for that position.

In naming Mr. Wagner, Governor Pinchot said he is "peculiarly fitted for the position because of his long experience in the purchase of liquors."

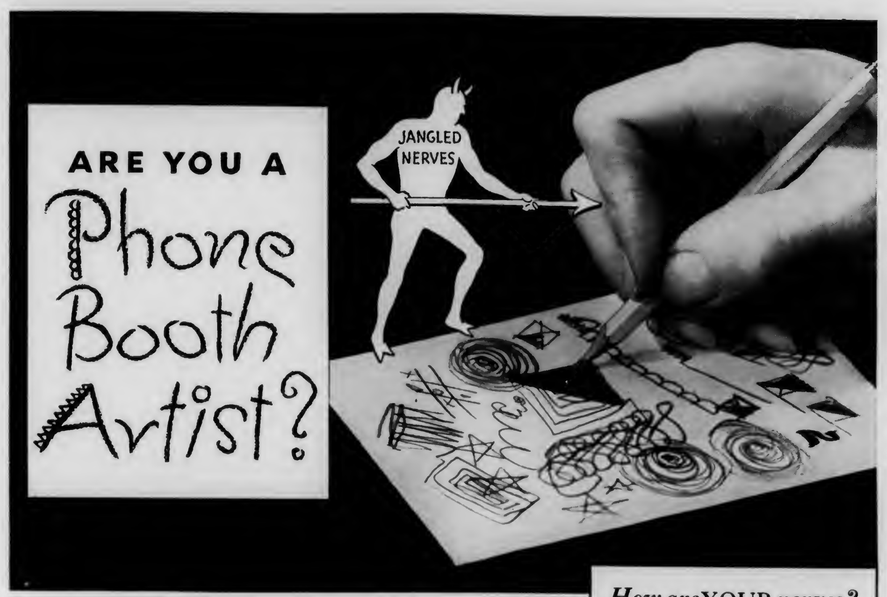
Mr. Wagner, before prohibition, was a member of the firm of John Wagner & Sons. In announcing the appointment Governor Pinchot said, "This firm is one of the best-known liquor establishments in Pennsylvania. It has been in continuous existence, except for the period of national prohibition, since 1847, when it was established by Mr. Wagner's father. W. Worrell Wagner retired from the business in 1919 and has not re-entered it. When he was a member of the firm he did all the purchasing for the company.

"He is thoroughly familiar with the work he was selected to do. This fact, together with his high standing among the people of Philadelphia, makes his appointment most desirable."

Mr. Wagner is a native of Philadelphia, and now resides on West School House Lane, Germantown. His summer home is in Atlantic City.

He is a member of the Union League, Art Club, Germantown and Merion Cricket Clubs, Barge Club, Schuylkill Fish and the Philadelphia Club. He is a brother of John and Joseph Wagner, who during the period of prohibition carried on the business of John Wagner & Sons, at 233 Dock Street, as importers of high-grade cigars, mineral waters, teas, spices, jams, jellies, etc.




Those penciled scrawls are a sign of jangled nerves

If you're the stolid, phlegmatic sort of person who doesn't feel things very deeply, you'll probably never have to worry about nerves. But if you're high-strung, alive, sensitive, watch out.

See whether you scribble things on bits of paper, bite your nails, jump at unexpected noises—they're signs of *jangled nerves*.

**So be careful. Get enough sleep—fresh air—recreation. And make Camels your smoke.**

**For Camel's costlier tobaccos never jangle your nerves—no matter how steadily you smoke.**

*How are* YOUR *nerves?*
TRY THIS TEST

| | |
|---|---|
| 819472 | 809702 |
| 728196 | 778421 |
| 188632 | 664321 |
| 918243 | 821863 |
| 090628 | 987654 |

Here is a series of numbers. Two numbers in this series contain the same digits . . . but not in the same order. See how fast you can pick out these two. Average time is one minute.

*Frank J. Marshall (Camel smoker), chess champion, picked the two numbers in thirty seconds.*

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*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

CAMELS— SMOKE AS MANY AS YOU WANT... THEY NEVER GET ON YOUR NERVES!

TUNE IN! *CAMEL CARAVAN featuring Glen Gray's CASA LOMA Orchestra and other Headliners Every Tuesday and Thursday at 10 P.M., E.S.T.—9 P.M., C.S.T.—8 P.M., M.S.T.—7 P.M., P.S.T., over WABC-Columbia Network*

# Review of Foreign Tobacco Markets

FOLLOWING is a continuation of the review of foreign tobacco markets from the March 1st issue of The Tobacco World. The present instalment embraces Switzerland, Philippine Islands, Argentina, China and Czechoslovakia. The review is compiled from American commercial attache reports.

SWITZERLAND—The bulk of imported leaf tobacco in Switzerland comes from the United States. In 1933 Swiss imports of this commodity amounted to 8098 metric tons, as compared with 7302 tons in 1932. The American share in this trade was 3380 metric tons, with a value of gold $1,632,948, against 3101 metric tons, with a value of $1,685,301 in 1932. The quality of the imports of American tobacco was noticeably lower this year, since the domestic demand was for the cheaper grades. Sales of American cigarettes increased from $40,459 in 1932 to gold $50,347. The increase indicated here could be attributed to the new Swiss tobacco sales taxes and increased import duties which became effective after the devaluation of the dollar. The prospect of higher duties and taxes, coupled with an opportunity to purchase cheaper in the United States due to the low rate of the dollar, caused importers to purchase large stores, which showed substantially in the statistics for 1933. (*American Consul Maurice W. Altaffer.*)

PHILIPPINE ISLANDS—The total value of all tobaccos shipped from the Philippine Islands during 1933 amounted to 10,355,000 pesos. Exports of leaf tobacco totalled 16,897 tons, valued at 3,685,000 pesos; cigars, 196,141,000 pieces, valued at 6,316,000 pesos; cigarettes, 21,580,000 pieces, valued at 62,000 pesos, and other tobacco products, 909 tons, valued at 292,000 pesos. Due to reduced imports of leaf tobacco from the Philippines by the Spanish Tobacco Monopoly, a loss of 20 per cent. in quantity and over one-third in value was recorded for the year. Spain continued to hold first place as an importer of Philippine tobacco. The United States accounted for the bulk of the cigar trade, with approximately 180,000,000 pieces, an increase of about 10 per cent. over 1932. (*American Trade Commissioner E. D. Hester.*)

ARGENTINA—Imports of tobacco and cigarettes into Argentina have dropped off considerably in the last three years, the decrease being attributed to three factors—current economic conditions, the development of the local industry, and taxation. According to a report by American Vice Consul John C. Pool, made public by the Tobacco Division, Department of Commerce, the United States still enjoys a fair percentage of the Argentina tobacco trade, in spite of the apparent general declining market.

It has been noted that a steady increase was registered from 1925 up to and through 1930, and since then a drop to a point where 1932 importations were approximately 60 per cent. less than the peak year. There is no doubt but that the decline in the value of the peso on international exchange has been a factor in creating this situation. Imported cigarettes have become more expensive, and consequently within the reach of fewer people. On the other hand, the consumption of the cheaper grade of cigarettes is estimated to have more than doubled in the last two years. The same holds true with regard to tobacco, the importations of which have recently decreased.

During 1931, importations of leaf and cut tobacco increased even though the restrictive influences of the economic depression were being felt. This is accounted for by large purchases of stocks by local manufacturing companies who, having heard rumors of increases in import duties, imported as much as possible for future use. It may be mentioned in this connection that the 10 per cent. emergency surtax was decreed on October 6th of that year, and put into effect three days later. Imports of leaf tobacco from the United States during 1932 were valued at 296,473 gold pesos, representing approximately one-third of the 1931 figure. The tobacco imported from the United States is the Virginia and Kentucky types, from Greece and Turkey, Turkish type, and from Paraguay, black tobacco. These various types are used for blending with the locally-grown product.

Cigarettes are imported from twenty-three countries and imports of cigarettes from the United States predominate. The value of 1932 imports from the United States totalled 184,755 gold pesos, which is less than one-half of the 1931 figure. Nevertheless the United States continues to occupy first place, followed by the United Kingdom and Italy. Generally speaking, American and British cigarettes are of the most expensive type, the Italian blend being more popularly priced.

The use of locally produced tobacco has increased greatly during recent years. It is estimated that about twice as much of it is used as of the imported variety. The cheaper grades of cigarettes, especially the 10 centavos class, are made entirely of it. It is said to be of poor quality, however, and not suitable for use alone in the more expensive types, which are blended with tobacco from other countries. It is estimated that one large concern is using approximately 40 per cent. of the locally-grown product in their manufacture, whereas two years ago they were using approximately 20 per cent. At one time they used none. It may be mentioned also, that this firm is making cigarettes of Virginia type of tobacco largely grown in Argentina, and that their sale is steadily increasing. The price of these cigarettes ranges from 20 to 35 centavos for package of ten, whereas the standard American brands (large size) retail at 1.10 pesos. This firm also manufactures several of the standard English brands, importing the raw material for their manufacture.

The total consumption of tobacco in Argentina is said to be stable at the moment, but a decided tendency has been shown in favor of cheaper tobaccos and cigarettes. This has necessarily meant a decrease in the sales of the imported articles, and there is but little indication of their regaining a stronger position.

CHINA—According to official records of the Tobacco Division, Department of Commerce, the leaf tobacco trade of the United States with China shows a gain of approximately 27 per cent. in value during 1933 over the preceding year. In weight there is a slight difference in favor of 1932. Preliminary figures show that the leaf tobacco trade during 1933 amounted to 73,924,448 pounds, valued at $9,728,252, compared with 74,780,896 pounds, valued at $7,654,312 during

*A sensible package*
*10 cents*

Granger Rough Cut

the pipe tobacco that's MILD
the pipe tobacco that's COOL
*—folks seem to like it*

© 1934, Liggett & Myers Tobacco Co.

1932. The cigarette trade shows a slight increase in volume and a slight decrease in value during 1933, as compared with 1932. The 1933 figures show 81,460,000 cigarettes, valued at $238,415, and those of 1932 show 81,154,000 cigarettes, valued at $255,226.

From the standpoint of Chinese statistics as reviewed by Assistant Commercial Attache A. Bland Calder, Shanghai, leaf tobacco imports into China from the United States in 1933 were the lowest for several years. This may be accounted for by the fact that after October 1, 1933, over 32,000,000 pounds of leaf left the United States en route to China. In other words, it is obvious that a great difference may be accounted for "in transit".

As stated in the report of Mr. Calder, the final compilation of Chinese importations will probably show a figure but little above 53 million pounds for the year, compared with approximately 79 million pounds for 1932, and more than 150 million pounds for the best previous year. Approximately 97 per cent. of 1933 imports were entered at Shanghai, the center of the cigarette manufacturing industry. Actual gross imports into Shanghai for the full twelve months period of 1933 totalled 52,484,000 pounds, of which 98.53 per cent., or 51,714,000 pounds, was from the United States, the small balance consisting in part of cigar tobaccos from the Philippine Islands. Approximately 2,542,000 pounds were re-exported during the year. The bulk of this consisted of return shipments of old crop tobacco to the United States to meet needs, for certain grades, created by a short 1932 crop in the United States. The short American 1932 crop which resulted in a limited supply of the grades ordinarily used in China, along with higher prices, enabled Shanghai dealers to clear up heavy over-stocks of 1931 and older crop tobacco with minimized losses on a great deal of it and satisfactory profits on the balance, such that stocks at the end of 1933 were relatively moderate consisting largely of 1933 crop tobacco.

The higher American prices of tobacco in United States currency have for the most part been offset by exchange such that the Chinese factories are able this season to buy better grades of American tobacco at the same prices paid for lower grades last year.

The growing of Virginia type Bright Flue-cured leaf in China in 1933 expanded with indications that final estimates may run to 125 million pounds. This is the largest crop on record. Production of this type of leaf in China began under American tutelage in 1915, when upwards of half a million pounds were grown. Ten years later production was running from 50 to 80 million pounds per annum. The 1932 crop was somewhat above 100 million pounds. Due to smaller returns to farmers for the 1933 crop, it is anticipated that acreage may be smaller in 1934. All crop estimates are subject to modification from time to time as more conclusive data becomes available.

The large 1933 crop of China leaf, together with a 45 per cent. advance in December, 1933, in cigarette taxation, will without doubt make for further increases in the proportion of China-grown tobacco in many brands and will mean the elimination of American tobacco entirely from many of the low-grade brands of cigarettes. No one can predict what the effect of the higher taxation will be on cigarette consumption. Manufacturers express the view, however, that the taxed production by legitimate industry will drop and that untaxed illegitimate traffic in cigarettes will increase. Should cigarette consumption in China hold up to a figure of 70 billion cigarettes, then it is conceivable that the consumption of American leaf tobacco may be more nearly average than was the case in 1932, though not as promising as in previous good years. While manufacturers have been endeavoring to devise means of absorbing the new tax and the dislocations to cigarette trade have been considerable in making adjustments to the new tax schedule only the experience of the next few months will reveal whether cigarette consumption will be to a great degree unfavorably affected.

Offtake of American leaf from Shanghai stocks in December following the imposition of the new tax was only about 60 per cent. of normal for this season of the year, with definite indications that manufacturers are using larger proportions of local leaf in blends and are exhibiting a tendency to confine purchases of American leaf to better grades and lesser quantities than heretofore used.

Cigarette manufacturing is the third largest of China's modern industries, and is largely concentrated in Shanghai, with several hundred cigarette machines installed in this district, though not necessarily all in operation. About 400 of the machines are in Chinese-owned factories. Many of these have improved their equipment during the year by installation of more up-to-date machines, discarding antiquated types. There are still approximately 60 Chinese cigarette factories operating, but 15 of these produce less than 10 cases of 50,000 cigarettes each per month, while 26 produce less than 100 cases each per month. Only 10 Chinese concerns produce over 1000 cases per month. Roughly, over 60 per cent. of the total production by Chinese plants is by the four largest concerns. There is room for improved management in nearly all plants. Many of the smaller factories operate on a virtual "hit-or-miss" basis, with little accurate knowledge of their actual production and distribution costs, such that it is believed in the keen competition that exists, numbers of them will eventually be eliminated or be obliged to combine and adopt stricter control, as well as better accounting systems.

Cigarette importations have fallen off to negligible quantities compared with previous years and may be expected to show still further decline because of the high tariffs and comparatively low local production costs.

Imports of cigarettes into China for eleven months of 1933 totalled only approximately 223 million pieces, of which about 64 millions were from the United States. The total import is less than a third of the volume brought in during 1932. Five years ago cigarette imports to China were running over nine and a half billion pieces annually. Increasing tariffs and taxation have reduced this figure to relatively negligible amounts.

CZECHOSLOVAKIA—According to information made public by the Czechoslovak Tobacco Monopoly, its receipts in December, 1933, amounted to 153 million crowns ($4,600,000 gold), as compared with 142 million crowns ($4,200,000 gold) received in November, 1933. During the year 1933 the gross receipts of the Monopoly amounted to 1808 million crowns ($54,200,000), as compared with 1975 million crowns ($59,200,000) in 1932. The net amount turned over to the State Treasury in 1933 totalled 1315 million crowns ($39,400,000), as compared with 1326 million crowns ($39,700,000) in 1932, a decrease of 11 million crowns ($300,000). (*American Commercial Attache Sam E. Woods.*)



# Cigarettes 1, 2, 3, in Advertising Leadership

IN presenting the findings of Media Records, Inc., whom they asked to determine last year's newspaper linage of the 300 largest national advertisers, the publishers of *Printers' Ink* said: "The figures may surprise you. For instance, if you guess the leader to have been General Foods, you'll prove yourself a bad handicapper—and not much better if you assign the leadership to General Motors. If you'll take a tip, lay your bets like this: R. J. Reynolds to win, Liggett & Myers to place, and General Motors to show."

As a matter of fact, if you list the individual advertisers, the American Tobacco Co. easily captures third place, since General Motors represents the linage of eighteen separate accounts, while the American Tobacco Co. advertising in newspapers during 1933 was devoted exclusively to Lucky Strike.

Thus the three largest advertisers in newspapers are cigarette manufacturers.

Of the total of 300 companies listed, 12 are tobacco companies. The following table gives the number of agate lines of advertising used by each one of the dozen. The figures in parenthesis show, in each case, the number of cities in which the advertising appeared.

R. J. Reynolds Tobacco Co.: Camel, 16,828,670 (81); Tobacco Products, 322,127 (80); Total, 17,150,797.

Liggett & Myers Tobacco Co.: Chesterfield, 13,584,340 (81); Granger Rough Cut, 1,404,246 (32); Total, 14,988,586.

American Tobacco Co.: Lucky Strike, 12,092,407 (81).

General Cigar Corp.: White Owl, 857,251 (62); Van Dyck, 440,800 (27); Robert Burns, 27,655 (6); Total, 1,325,706.

P. Lorillard Co.: Old Gold, 1,267,351 (70).

Bayuk Cigars, Inc.: Bayuk Phillies, 909,095 (34); Mapacuba, 39,342 (4); Total, 948,437.

G. H. P. Cigar Co.: El Producto, 730,864 (52).

Webster-Eisenlohr, Inc.: Girard, 279,546 (17); Tom Moore, 18,596 (8); Total, 298,142.

Congress Cigar Co.: La Palina, 170,830 (20); Recollection, 109,291 (9); Total, 280,121.

E. Regensburg & Sons: Admiration, 177,738 (3).

Axton Fisher Tobacco Co.: 141,240 (46).

Consolidated Cigar Corp.: Dutch Masters, 66,467 (9); Harvester, 56,205 (15); Total, 122,672.

# 4700 Acres Advisable Shade Acreage

SECRETARY OF AGRICULTURE HENRY A. WALLACE has announced that the advisable acreage for Connecticut Valley shade-grown tobacco, U. S. Type 61 (a), for production in 1934 is 4700 acres. The announcement of the acreage is in accordance with the marketing agreement entered into several months ago by handlers of this type of tobacco in Connecticut, Massachusetts, New Hampshire and Vermont. Under the marketing agreement the acreage committee set up under the agreement is to allot the 4700 acres of production among growers on an equitable basis, and parties to the agreement and license can handle only the production from such allotted acreage during the 1934 crop year.

In a statement concerning the advisable acreage, J. B. Hutson, chief of the Tobacco Section of the Agricultural Adjustment Administration, said, "The acreage set forth, 4700 acres, would produce, at average yield, a crop slightly smaller than the consumption of the 1932-33 marketing season, and a crop approximately 10 per cent. smaller than the estimated consumption of the current marketing season. Indications are that prices received by growers for this tobacco during the current season are averaging approximately 40 per cent. more than those received a year ago.

"It is believed that with the 1934 crop limited to 4700 acres, some reduction in excess stocks would be brought about which should contribute to further improvement in the price situation."

# Marketing Agreements Effective December 1

SECRETARY OF AGRICULTURE HENRY A. WALLACE has signed two marketing agreements for dark air-cured and fire-cured tobacco, the Agricultural Adjustment Administration announced. The agreements were made effective as of December 1, 1933. In one of the agreements manufacturers of snuff agree to purchase specified quantities of these types of tobacco at minimum average prices for the season ranging between 7¼ to 14 cents per pound. Since early in January, when the agreement in regard to commitments and minimum prices was tentatively reached, prices of the snuff grades have steadily advanced.

Purchases of minimum quantities by domestic buyers of Green River, One Sucker, and Virginia sun-cured tobacco at specified minimum average prices are provided for in the other agreement. Prices for these types have also experienced a steady advance since an agreement was tentatively reached early in January. These types have been selling at prices ranging from 50 to more than 100 per cent. above the price levels of the 1932 marketing season.

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### OLD AGE OF CIGARETTES

Cigarettes were known in Brazil and other parts of South America as early as the middle of the eighteenth century, writes a correspondent quoted by the *Irish Tobacco Trade Journal*, and from there they were introduced into Spain, where Casanova learned the habit of cigarette smoking. France was the next stronghold of the cigarette, though not until the 1840's. Then we find travelers in the Auvergne and the Rhone country saying not only that the habit of smoking cigarettes is quite *la grande mode* of late with certain French ladies, but even that the beggars in the streets have paper cigars (called cigarettes) in their mouths.

## "DOUBLE CIGARETTES" IN 1865

THAT there is historical precedent for the manufacture of long cigarettes, to be cut to standard length before smoking, is shown by the following extract from Count Corti's "History of Smoking": "It was in Austria in 1865 that the first real cigarette—the 'double cigarette' as it was called—was introduced by the Regie; it was about three times as long as those of today, with a mouthpiece at either end, and was cut into two before using. The demand for them increased so rapidly that in 1866 sixteen million were sold in Austria. Before long, however, they made way for the single cigarette of finer quality, while the cigar, especially the Virginian variety, continued to hold the first place well into the 'eighties'; the Emperor Francis Joseph, for instance, always preferred a cigar."

The Axton-Fisher Tobacco Co., Louisville, Ky., is now putting out an eleven-inch cigarette, which is four cigarettes in one. It is named Head Play.

## NEW ADJUSTMENT RULINGS

ELEVEN new administrative rulings on tobacco adjustment contracts have been announced by the Agricultural Adjustment Administration. The rulings, for the most part, are interpretations of certain general conditions arising under all tobacco contracts. A few outline procedure under specific contracts, offering new options for base acreage and production to farmers signing fire-cured and Virginia sun-cured contracts and an option for the base yield per acre in certain areas in case of Maryland tobacco.

Instructions for determining choice of contracts when different types of tobacco are grown on the same farm, the manner of handling a contract on a farm rented for cash for 1934 only, division of the first adjustment payment between landlord and tenant, and possible exceptions by which one of a group of farms may be exempted from a contract, are provided for in the new rulings.

## BAYUK OPPOSED TO SECURITIES ACT

Harry S. Rothschild, president of Bayuk Cigars, Inc., in a letter to stockholders last week, set forth his opinion that if the Fletcher-Rayburn Bill (National Securities Exchange Act of 1934) is enacted into law in its present form, Bayuk Cigars, Inc., might find it inadvisable to continue the listing of its stock upon the New York Stock Exchange, and terms as "drastic" some provisions of the bill.

Under the registration statement required by the bill, according to Mr. Rothschild, the company must agree to abide by all future rules and regulations made by the Federal Trade Commission. In addition, the bill confers special powers on the commission over listed companies, which are so extensive that, to a large degree, the commission would control the management of listed corporations in matters, which, in the opinion of officers of Bayuk Cigars, should be left to the direction of the board of directors.

In his letter, Mr. Rothschild asks them to urge their representatives in Congress to vote against the passage of the bill.

Bayuk Cigars, Inc., has its general offices in Philadelphia, where also are located four of the company's twelve cigar manufacturing plants.

## "WORLD'S CHAMPION SMOKER"

IN BRIGHTON, ENGLAND, we learn through the *Canadian Cigar and Tobacco Journal,* there is a pretty, blue-eyed blonde who lays claim to being the world's champion smoker. She is twenty-seven years old and her name is Miss Kathleen Yvonde West. Every day of her life she smokes from fifty to sixty cigarettes, besides several pipesful of strong tobacco, just to add variety. In a recent competition, which included men as well as women, she smoked continuously for nineteen hours, "chain-smoking 190 cigarettes, an average of one every six minutes." She easily outsmoked all her competitors, and at the final puff of her 190th cigarette she was only slightly dizzy, according to her own statement.

Upon medical examination, the only advice her physician could give was to "have a few hours' rest." When the champion gets tired of cigarettes, she cuts them out for a few days and manages to smoke about two ounces of good strong tobacco—"for I also like a pipe." What a woman!

## TAX HEARINGS POSTPONED

Announcing a temporary postponement of the hearings on tobacco taxation, which were scheduled to be held on March 12th before the subcommittee appointed by the Ways and Means Committee, Congressman Fred M. Vinson, chairman of the subcommittee, issued the following statement:

"The tobacco tax hearings scheduled before the subcommittee of the Ways and Means Committee on March 12th are temporarily postponed. This action was announced by Representative Fred M. Vinson, of Kentucky, chairman of the subcommittee, today. This action was taken on account of the fact that the tariff bill will be under consideration throughout the time set apart for the tobacco tax hearings.

"Mr. Vinson stated that while no definite date is assigned for the tobacco tax hearings, it will be his purpose to set the hearings at the earliest date possible after the conclusion of the tariff measures."

It is expected that the new date for the tobacco tax hearings will be announced shortly.

## GOLDSTEIN-BAYUK

Miss Bernice Estelle Bayuk, daughter of Mr. and Mrs. Samuel Bayuk, of Wyncote, Pa., and Samuel Goldstein, son of Mr. and Mrs. William Goldstein, of Denver, were married on March 16th in Adath Jeshurun Synagogue, Broad and Diamond Streets, Philadelphia. Rabbi Max D. Klein officiated. The bride was given in marriage by her father, Chairman of the Board of Bayuk Cigars, Inc. Albert Freewald was best man. Following a honeymoon trip to Denver, Mr. and Mrs. Goldstein will live at the Westbury, Fifteenth and Spruce Streets, Philadelphia.

## DEISEL-WEMMER-GILBERT REPORTS

Deisel-Wemmer-Gilbert Corp. reports for 1933, as certified by independent auditors, net profit of $259,750 after charges, depreciation, Federal taxes and provision for possible loss of funds in closed banks, equal, after 7 per cent. preferred dividend requirements, to seventy-five cents a share on 204,320 shares of common stock. This compares with $295,706, or eighty-five cents a share on 206,680 common shares in 1932.

## "MAC" TAKES A VACATION

EC. MacALLISTER, known familiarly as "Mac" to everyone in the trade in Northern New Jersey, where he is Bayuk territorial manager, and distinguished, among other things, by his disinclination to take a vacation, surprised his friends by loading the Missus into the car and driving to Miami and other Florida points for ten days' recreation. He returned home full of orange juice and an ambition to make this the biggest year for Phillies in his bailiwick.

Jacob Mendelsohn, of Chicago, has joined the Bayuk selling organization with headquarters in the Windy City, to look after sales of Bayuk products in that sector, in conjunction with Zolla Bros., distributors.

Amster Kirtz Cigar Co., of Cleveland, is spreading the gospel of B. P. demand and increasing distribution, with the assistance of Bayuk Salesman P. T. Morris.

C. M. Bristow, Bayuk salesman, has been working with Huser Cigar Co., Huntingdon, Ind., Bayuk distributor for that region, and is putting the Phillies before the consumer in a most effective manner.

The crack Bayuk bowling team is getting all set to establish new records in strikes and spares at the A. B. C. tournament in Peoria, which opened on March 8th and will close on April 9th.

Cigarette Time is being featured by Yahn & McDonnell in their chain of retail stands throughout the city with good success. This is a mentholated cigarette retailing at fifteen cents. The new brand is being supplied to their own stands only.

Medalist sales are showing increases here since the advent of new sizes: New Yorker and Ritz, retailing at ten cents:; Biltmore and Plaza, retailing at two for twenty-five cents, and Waldorf, retailing at fifteen cents. Yahn & McDonnell are local distributors.

Monticello smoking tobacco, a high-grade mixture of John Wagner & Sons, is expanding in sales steadily and in a highly gratifying volume. Although no advertising has been done on this mixture, it now has a wide distribution in the Middle West and other sections of the country.

## Trade Notes

Kool cigarettes, the recently introduced mentholated cigarette of Brown & Williamson Tobacco Corp., are meeting with a good demand here and showing substantial and continuous increase in sales.

Abe Caro, Optimo representative, was in town last week visiting the local trade and made Yahn & McDonnell offices his headquarters while here. Optimos are holding their place well out in front here.

Orders continue to roll in to Royalist headquarters, Grabosky Bros., Inc., North Second Street, and the factory is working to capacity in order to satisfy the demand, and at the same time preparations are going forward for the removal of their factory operations to larger quarters about April 1st.

The new Banquet cigarettes, product of Simpson, Studwell & Swick, are being distributed here by Yahn & McDonnell and are enjoying a nice sale. The cigarette retails at five cents each in individual glass tubes. Frank Swick paid the local distributors a visit last week and was much gratified at the progress the new cigarette is making here. His company could not supply the demand for this brand for some time, but increased production facilities have nearly equalled the demand at the present time.

John Wagner & Sons report that there is a considerable improvement in the cigar department of their business, particularly attributable to the end of the prohibition era. High-grade cigars in the top sizes particularly have shown a marked improvement in recent months. Among the particular brands distributed by this firm, and which have enjoyed a wide sale, are the Don Sebastian, (Arango y Arango); Garcia y Vega, (Garcia y Vega); Wagner, (John Wagner & Sons), and imported brands.

## CIGARETTE TAX REDUCTION

THAT leading cigarette manufacturers are joining in a request to the House Ways and Means Committee at Washington for a reduction in the tax on cigarettes of from $1.20 to $1.80, was revealed at the annual meeting of Liggett & Myers Tobacco Co. by Fred J. Fuller, counsel. Factors likely to prevent a reduction in the tax at this time, Mr. Fuller pointed out, are the short time Congress is to be in session and the immediate loss of revenue to the Government. He estimated that the loss in Federal income entailed by a cut in the tax would be gradually made up by cigarette consumption.

According to Mr. Fuller, Representative Vinson favors a paring down of the tax on the ground that it would enable larger sales and higher prices to the farmers through increased tobacco consumption. He states that as the tax on cigarettes was raised from $2.05 to $3.00 at the time the prohibition amendment was adopted, to replace the revenue loss on liquor, it is now timely to reduce the tax.

In answer to a query regarding the price rise on cigarettes in January of this year, J. W. Andrews, vice-president, took the occasion to inform stockholders of the tendency towards increased competition from 10-cent brands. This tendency, he added, would tend to be offset as people generally obtain more spending money.

## ANOTHER BROWN & WILLIAMSON ADDITION

DUE to increased demand for the products of the Brown & Williamson Tobacco Corp., ground was broken this week for the erection of an additional factory building in Louisville, Ky. The company already has a large and thoroughly modern plant in that city, and the additional factory building will be of brick construction, five-story and basement, measuring 66 x 215 feet, thoroughly modern and with the most up-to-date equipment obtainable. The new building will be immediately adjoining their present buildings and will give the company 80,000 square feet of additional factory space.

The company's brands include Dial, Bugler, Golden Grain, Target and Sir Walter Raleigh smoking tobaccos; and Kool, Wings and Raleigh cigarettes. All of these brands are gaining in popularity steadily, which has necessitated the building of an additional factory so that production can be increased proportionately.

## AMERICAN CIGAR EARNINGS

The American Cigar Co., which is controlled by the American Tobacco Co., reports for 1933, as certified by independent auditors, net income of $2,666,628 after amortization, Federal taxes, etc., equivalent after dividends on the 6 per cent. preferred stock to $10.33 a share on 200,000 shares of common stock. This compares with $10.56 a share on the common in 1932.

The Congress Cigar Company for 1933 had a net loss of $170,971 after taxes, depreciation, interest and adjustment of tobacco inventories, compared with a 1932 profit of $274,228.

## RECOVERY REVIEW BOARD

MOVING to protect small enterprises and prevent monopoly under recovery codes, President Roosevelt on March 7 issued an Executive Order creating a National Recovery Review Board to investigate complaints that codes were so working as to build up monopolies to the detriment of small independent enterprises. The purpose of the new agency, it was set forth in the order, will be to, "ascertain and report to the President whether any code or codes of fair competition approved under authority of Title I of the National Industrial Recovery Act are designed to promote monopolies or to eliminate or oppress small enterprises or operate to discriminate against them, or will permit monopolies or monopolistic practices; and if it finds in the affirmative to specify in its report wherein such results follow from the adoption and operation of any such code or codes; and to recommend to the President such changes in any approved code or codes as, in the opinion of the board, will rectify or eliminate such results."

It was also made known at the White House that the President will ask Congress to extend the licensing provisions of the recovery act for another year. These sections of the measure were to apply for one year only. They have never been invoked, but have been held over the head of industry as a threat in the event of attempts to violate codes.

## TOBACCO IN ECUADOR

ECUADOR—While published figures for the four government monopolies of alcohol, salt, tobacco, and matches, show a substantial sum of revenues collected above expenditures, the business of none can be said to be actually profitable. The tobacco estanco has large supplies of tobacco on hand, much of it now unfit for use, and is unable to purchase the entire new crop, although no other outlet for the products is permitted. (*American Consul General H. B. Quarton.*)

Harold Allely is making the rounds among the trade in the interests of the products of the Christian Peper Tobacco Company, and fast becoming acquainted in his new field. The Peper Company products are well placed in this territory and enjoy a good sale.


**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

**Name**_____

**Street No.**_____

**P. O.**_____ **State**_____




## News from Congress

(*Continued from Page 6*)

INITIAL figures showing the effect of the depression upon conditions in trade and business will be issued in the near future by the United States Census Bureau. As a result of the investigation, the first ever to be made by the Government in this field although similar information is compiled periodically for the manufacturing industries, the retail tobacco merchants will ascertain just what has happened since 1929, not only in the way of store employment, but with respect also to sales and buying habits.

By comparison of the figures now being compiled with the data of the 1929 census of distribution, it will be possible to determine the decrease in business volume during the past four years; what kinds of business suffered most and what kinds experienced no decrease or had an increase; what changes have taken place in buying habits, and whether chain organizations stand depression better than independent establishments or vice versa.

The study will also show the changes which have occurred in the position of wholesalers, whether there has been an increase in direct selling to consumers, the extent of reduction in employment in various trades, and changes in wages.

Of considerable importance to retailers, the survey will disclose any significant changes in inventory or credit instituted by the various businesses, and the proportion of current business sales volume represented by sales taxes.

CONCERNS whose violations of the Federal Trade Commission Act are disposed of by the signing of stipulations that they will no longer continue the practices complained of will hereafter be deprived of the protection formerly given them through the withholding of their names by the Federal Trade Commission. Under a new policy adopted by the commission, all cases settled by stipulation will be made a part of the public records. The determination to publish names in such cases follows a recent decision of the commission to make public the details of formal complaints charging unfair trade practices as they are issued instead of upon final determination of the case, as was the practice for many years.

Affording a means of correcting unfair methods of competition without going through the formal procedure of litigation, the commission's stipulation plan has been adopted in more than 1500 cases since 1925, most of which involved minor abuses.

The procedure calls for a signed agreement between the commission and the respondent in which the latter agrees to cease and desist from the unfair practices complained about, with a provision that should they be resumed the facts as stipulated may be used as evidence in any formal complaint which the commission might issue. In general, stipulations are accepted in cases involving general misrepresentations in the case of goods in interstate commerce or false and misleading advertising.

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OUR HIGH-GRADE NON-EVAPORATING

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

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BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

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**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

MELLO-GLO:—46,296. For all tobacco products. January 23, 1934. Consolidated Litho. Corp., Brooklyn, N. Y.

RENWICK PARK:—46,297. For cigars, cigarettes and tobacco. February 8, 1934. F. M. Howell & Co., Elmira N. Y.

TABLE MADE:—46,299. For all tobacco products. March 6, 1934. W. J. Neff & Co., Red Lion, Pa.

TABLE MAIDS:—46,300. For all tobacco products. March 6, 1934. W. J. Neff & Co., Red Lion, Pa.

GAR-V CLUB HOUSE:—46,301. For cigars. February 17, 1934. Joe Leib, Los Angeles, Cal.

VETZEL:—46,302. For cigars, cigarettes and tobacco. March 8, 1934. R. P. Vetzel, Melbourne, Fla.

### TRANSFERS

EL PARADO:—36,662 (United Registration Bureau). For cigars, cigarettes and tobacco. Registered June 3, 1911, by Julius Bien Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the registrant, to E. Mueller & Son Co., Milwaukee, Wis., October, 1916.

VERMILLION CLUB:—40,955 (T. M. A.). For all tobacco products. Registered December 30, 1918, by Victor Levor, Attica, Ind. Transferred to L. D. McKinzie & Co., Danville, Ill., February 17th, 1934.

SAN RITA:—46,295. For cigars. Registered February 21, 1934, by Cuesta, Rey & Co., Tampa, Fla. (This certificate is issued upon presentation made to us that the trade name or trade-mark herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus, has been in use by Henry E. Ackerburg, Chicago, Ill., since 1916, and transferred to Cuesta, Rey & Co., Tampa, Fla., February 16, 1934.)

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"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

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VOLUME 54 — U. S. Department of Agriculture. — No. 7

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol 54 APRIL 1, 1934 No. 7


IT WAS inevitable that, during the long and seemingly interminable delay between the drafting of the cigar code and its approval, there should be criticisms, both inside and outside the industry. The attacks from outside have been reported as emanating from Washington and they are to the effect that the blame for the non-existence of a code at this date should be placed on the shoulders of the cigar people themselves. The inside carping, much of which comes into these editorial offices through the mail and in the course of personal visits from men engaged in the various departments of the industry, takes the form of objections that the code as submitted favors the large manufacturers or the machine group, or whatnot. It is a pleasure to us to offer, in rebuttal of the many divergent statements, the following words of the chairman of the Cigar Code Committee, Harvey L. Hirst, on his return from one of his numerous trips to Washington last week:

STATEMENTS emanating from Washington that the long delay in the cigar code is the fault of the cigar industry, are entirely unfair and can be disproved by the records. The cigar industry will never have to apologize for its part, and its manner of co-operation with the administration, in this undertaking. The advent of the NRA found the cigar industry, quite naturally, very much disintegrated and with widely diversified interests and conditions. From the beginning and through all my close association with this undertaking I have seen manifested a spirit of unselfishness and a willingness to give and take, of which the cigar business may well be proud.

I DO not mean that these diverging interests were easily integrated. The problems were too many and too complex for that. But all issues were met courageously, and step by step every angle was straightened out and attended to. There is not and could not be entire satisfaction from every individual viewpoint. But to all intents and purposes the many opposing objectives were solidified. Moreover, all of the various groups made concessions for the benefit of the whole, and the code as it finally emerged was certainly not dominated by the large manufacturers or the small manufacturers, by the machine group or the hand group. All of these groups made compromises in the interest of harmony and for the purpose of integration.

THE cigar industry showed this same spirit of fair dealing and compromise also in its dealings with the Administrators. The setbacks that have been experienced, such as differences of opinion between the Agricultural Administrators and the NRA, the jockeying by Washington which seemingly forced the retailers to accept the mark-up instead of the vertical code, the reopening of the controversy over wage and time provisions, and other unexpected checks on the proceedings, are circumstances over which the cigar industry, as a body, could not have foreseen or prevented, and is not responsible for. But the important thing just now is for the merchandising division of the industry to know that all of these adversities are being faced courageously, that right now the outlook is reasonably bright for an early and agreeable termination of the work in hand, and that any price cutting outbreak at this time would be about the worst thing that could happen to the cigar and tobacco industry in these, the last stages of its long and hard-fought battle to acquire a trade code and get going."

HERE'S hoping that the next issue of The Tobacco World will carry the news of the approval of the Code. In the meantime, and even if the delay is prolonged beyond that time, we earnestly appeal to cigar merchandisers to give heed to the plea of the Cigar Code Committee, as voiced by Mr. Hirst, to sit tight and not allow themselves to become parties to any outbreak of price cutting at this time. That is an unmitigated evil always. Right now it would be a particularly destructive monkey wrench in the machinery of recovery for the industry.

IT GIVES us especial pleasure to read the February withdrawal figures printed elsewhere in this issue. For the second successive month of the young year there was a decided gain for all tobacco products, and we are not going to spoil our pleasure—and yours—by any kind of analysis, of the cigar figures, for instance, that would minimize the impressiveness of the general gains. You will notice, of course, the mercurial jump in the large cigarette figures, occasioned by the introduction of the eleven-inch product, to be cut into fours by the smoker. It is one of the features of the tobacco business that those in it do not have to wonder or guess how things are going. In many another industry a manufacturer could put an innovation on the market, and only he would know of its effect on the industry generally. Everyone else could only guess and speculate. Here we know almost immediately from official figures. This

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

is a quicker service than the automobile manufacturers get from the private companies which compile their sales reports from the registrations at state capitals, and a more comprehensive one than newspaper publishers get from Media Records, another private concern. If there is any value—and there decidedly is—in the General Motors research motto, "Get the Facts, or the Facts Will Get You," it would seem that the men in the tobacco industry have, in these official monthly figures, an advantage over those engaged in many other industries, in the important matter of knowing how to plan for the future.

# Meet Miss Sellers, Prince Hamlet Champ

MISS SELLERS, retail store manager of the L. Weinberg Co., store at 50 S. 2nd St., was awarded the $25 prize recently offered by Bayuk Cigars, Inc., for the person selling the largest number of their new Prince Hamlet cigars during a stated period in Philadelphia. In relating her experiences in retailing cigars, Miss Sellers said that when she first came into the store they were selling a small quantity of cigars and smoking and chewing tobaccos, which she regarded more as a nuisance than otherwise.

She soon began to see the wisdom of selling the customer larger quantities of all kinds of tobacco products, thus having more time to devote to the other departments of the store. By carefully learning the personalities of her customers, she soon had them buying their chewing and smoking tobaccos by the pound instead of by the package or plug, and cigars by the box instead of one or two at a time.

A little while after entering the employ of L. Weinberg & Co. Bayuk Cigars held a sales conference to which retailers were invited. Miss Sellers at first decided she would not attend as she would probably be the only female present among a crowd of men, but at the last minute changed her mind and decided to attend the conference.

After a very illuminating and instructive talk by Mr. Sharrock, local sales manager for Bayuk Cigars, the retailers were taken on an inspection tour of the big Bayuk factory, and Miss Sellers, who has "IT," and no mistake, was fortunate to draw Mr. Sharrock himself for her guide on the tour. Mr. Sharrock carefully explained to her the many different kinds of fine tobaccos which are used in all Bayuk products, and concluded with a splendid talk on the best methods for displaying cigars and also keeping them in first class condition.

After her return to the store the next day it didn't take Miss Sellers very long to re-arrange her cigar department cases and top of the case display, and she was also ready for her first customer with an excellent and intelligent sales talk on the merits of Bayuk cigars. And, boy, did she sell them. Well—she won the prize, didn't she?

# Grabosky Brothers in New Plant

GRABOSKY BROTHERS, nationally known cigar manufacturers, have announced that they will remove their plant and offices from 21 North Second Street to 11-13-15 North Second Street, Philadelphia, on Monday, April 2d. This step will be taken in an effort to better the working conditions of employees as well as to gain additional space necessitated by increasing business. The attractive new building soon to be occupied consists of five stories and a basement, all of which will be utilized by the Grabosky firm. The structure has been completely renovated and modernized. Fine lighting and many new conveniences are features.

Long identified with the cigar industry, members of this firm first became widely known as the producers of one of the nation's fastest selling cigars. Grabosky Brothers' new product—the Royalist cigar—is already recognized as an outstanding success and bids fair to be one of the nation's leading brands.

The marked public preference for Royalist and the subsequent need for greater production in order to satisfy it, is among the chief reasons why Grabosky Brothers came to deem larger quarters imperative.

Benjamin L. Grabosky recently identified himself with Grabosky Brothers, Inc. He was formerly associated with the G. H. P. Cigar Company, also of Philadelphia. One of the best-known figures in the cigar industry, he has been actively engaged in this line since 1900. It is his plan to broaden Royalist's market to an even greater extent.

Royalist enjoys solid distribution in many parts of the Union and recently entered the New York area, where it was accorded immediate acceptance. Grabosky Brothers are firm believers in the power of the printed word. They are pioneers in newspaper advertising having spent millions of dollars in this medium of publicity. Their advertisements may be seen regularly today in various metropolitan newspapers and other publications.

# $1,586,156 Paid to 31,541 Tobacco Growers

RENTAL and benefit payments distributed under Agricultural Adjustment Administration programs up to March 1 totalled $173,570,549 it is shown by summaries announced by the Administration today. This distribution was made among 1,774,431 farmers in 46 states. In addition to these payments, the Administration had expended $8,979,933 on that date for administrative expenses, and $49,841,684 for removal of surplus products.

The $173,570,549 rental and benefit payments made up to March 1 were distributed as follows: $112,349,176 to 1,030,536 cotton growers; $59,635,216 to 712,354 wheat farmers; and $1,586,156 to 31,541 tobacco growers.

Distribution of rental and benefits during the month of February increased by $14,576,037. The number of farmers to whom payments were made during the month increased by 183,732.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

EVIDENCES of definite economic recovery are seen by Treasury officials in the heavily increased tobacco taxes collected during February, as compared with the same month last year. Receipts from the cigarette tax were at peak levels, with collections for the month reaching $27,699,530 against $23,563,756 in February, 1933. Cigar taxes also increased, totaling $776,217 against $752,763, and receipts from chewing and smoking tobacco were up 20 per cent., $4,505,410 against $3,920,638.

Taxes collected on snuff during the month totaled $597,717 against $479,706 in 1933; cigarette papers and tubes returned $58.964 against $51,564, and miscellaneous tobacco collections were $8,802 against $268.

WITH the support of the Treasury Department behind it, the move for reduction of tobacco taxes, now under consideration by the House Ways and Means Committee, is said at the Capital to have better chances of success than at any time for several years. Hearings on the question of tobacco taxes, postponed from March 12 because of the tariff legislation, were begun by the Ways and Means Committee March 27, before a subcommittee consisting of Representatives Vinson of Kentucky, chairman; Shallenberger of Nebraska, McCormack of Massachusetts (Dem.) and Bacharach of New Jersey and Woodruff of Michigan (Rep.).

The subcommittee will investigate all phases of the tobacco tax situation, with a view to making a report on which the full committee can recommend such legislation as it may deem necessary.

Approval of the Treasury Department to reductions in taxes on tobacco products was voiced by Secretary Morgenthau March 21 when he appeared before the Senate finance committee during its final consideration of the new tax bill.

The Secretary advocated a reduction from $3 to $2.70 per 1,000 in the tax on cheap cigarettes, expressing the belief that a marked improvement in the trade in these grades would result, so that probably there would be no diminution in revenue. The producers of the cheap cigarettes, he said, are finding it difficult to continue in business, as the 15-cent brands are crowding the 10-cent product out of the market, and the 10 per cent. reduction in tax proposed would be of considerable help to them.

From a brief statement which he read to the committee, the Treasury head, who was accompanied by a number of members of his staff to back him up, told of the situation.

The committee decided to make no change in the measure which it was then preparing to report, but indicated that it would probably hold a hearing on the question and if the easing of the tax was found advisable an amendment to the bill would be offered by Chairman Harrison when the measure came up in the Senate for debate.

LEGISLATION designed to protect the revenues of states having sales taxes by making possible the application of such taxes to sales consummated as part of an interstate transaction has been passed by the Senate and is awaiting the action of the House of Representatives. The measure, introduced in February by Senator Harrison of Mississippi, chairman of the Finance Committee, deprives merchandise of its interstate character when entering a state in which a sales tax is levied.

It was declared that shippers of tobacco are using the "original package" doctrine as a subterfuge to avoid state taxation. It was stated during hearings on the bill that in states having cigarette taxes, tobacco salesmen solicited business from retail merchants by offering cases of cigarettes delivered from jobbing centers outside the state, representing that such purchases may be made without paying the state tax. In many instances the shipments were made in plain cartons and moved by express or parcel post.

The principal object of the bill is to defeat any such subterfuge and to permit nondiscriminatory state taxation of interstate shipments.

CHARGING that "each time the spirit of enterprise begins to show a little vitality, some new political obstacle is thrown into the roadway and enterprise is forced to retreat," members of the Consumers' Industries Committee created by Recovery Administrator Johnson following the recent conference of code authorities last month declared there is little probability of any improvement in the credit situation of the Nation so long as the present "legislative uncertainty" continues.

Holding that a number of measures pending threaten industry with an "unbearable burden," the committee called upon Congress to make known its intention of ignoring legislation which will handicap

*(Continued on page 15)*

### BAYUK BITS

ADOLPH SCHAAP, Sumatra tobacco buyer for Bayuk Cigars, Inc., left on the S. S. Manhattan from New York on the 28th for Amsterdam, where he will attend the Sumatra sales. He is accompanied by Mrs. Schaap. . . . Charles L. Steffen, Ohio territorial manager, called at headquarters and arranged for additional shipments of "Phillies" to meet the increasing demand for the brand throughout his territory. . . . The Star Grocer Co., Parkersburg, W. Va., has acquired the sale of "Phillies" for their local territory. . . . Eddie Bayuk is en route to Los Angeles via steamer to work under the supervision of Territorial Manager John J. Snyder as a Bayuk salesman. . . . George L. Branzell, territorial manager for Virginia, and his assistant, G. L. McGreevy, visited the factory on Saturday, the 24th.

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### WILL ATTEND CHICAGO ROUNDUP

F. P. Will, executive vice-president of the G. H. P. Cigar Co., and H. H. Kynett, of Aitkin-Kynett Co., advertising agency, left this week for Chicago where they will visit the Chicago distributing branch and meet Dave Jenks, who has been covering the northwestern territory in the interest of El Producto with good results. While in Chicago plans will be discussed for the spring campaign on El Producto and La Azora. Mr. Will expressed himself as much gratified with the immediate and enthusiastic response of retailers and consumers to the newspaper advertising campaign on La Azora, which was released about two weeks ago.

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Yahn & McDonnell are distributing the new Vestalite cigar lighter, retailing at $1, with splendid results. This new lighter works on the automatic principle, and, like all good lighters, it always works.

---

Dave Abrams, formerly local sales manager for George Zifferblatt & Co., is now connected with I. J. Abramson, tobacco distributor, of South Fifth Street, and is promoting the sale of Natural Bloom cigars in this city through that distributor.

## Trade Notes

Joe Banker and Barton Lemlein, of M. Sacks & Co., New York City manufacturers, were in town last week visiting the trade.

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Ben Lumley, local Beau Brummel, and genial representative of the Garcia y Vega factory in Tampa, is spending some time among local retailers and increasing the distribution and sale of his brand here.

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B. C. Jessa, eastern representative for Heine's Tobacco Company, was in town last week working on Heine's Blend, distributed here through Yahn & McDonnell, with good results.

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The Widener Building stand of Yahn & McDonnell is displaying the new Douglas Air Cooled pipe in such a way that it is attracting attention and resulting in a good volume of sales.

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Charlie Bobrow returned from a trip through New York territory last week, and after spending the weekend at home, left on Monday for northern New Jersey territory.

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Harry Tint, 1420 Chestnut Street, is displaying the new Golden Wheel cigar lighter, a product of Herman Ledderer & Co. This lighter is very attractive and retails for $1.

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Steve Hirsh, of the D. Emil Klein Co., was a visitor at Yahn & McDonnell headquarters last week, and expressed himself as highly pleased with the distribution and sale of Haddon Hall cigars here.

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Dorsey M. Worley, who has represented Otto Eisenlohr & Bro. in eastern Pennsylvania for a period of thirty years, has announced that he has severed his connections with that concern and will open his own jobbing house in Camp Hill, Pa., featuring pipes and the nationally known brands of cigars.



# Musings of a Cigar Store Indian

**By Chief "Young-Man-Smoke-Cigars"**

HERE are some more extracts from John L. Morrison's article, "The Passing of the Wooden Indian," in the October, 1928 issue of *Scribner's*: "In the fifties there were three outstanding men in the tobacco business in New York: Peter Lorillard, D. H. McAlpin, and Edward Hen. Lorillard, a French Huguenot, established the first tobacco-factory in this country, a small snuff-mill on the Bronx River, 'a few miles above New York.' He had a store at 42 Chatham Street and later at 60 Wooster. Featuring snuff and then, one hundred and ten years later, 'plug' tobacco, this concern had no need nor place for wooden Indians.

LORILLARD and McAlpin are famous names; Edward Hen is unknown, but for three decades this vibrant personality was a familiar and a striking figure. Born in Alsace; emigrant at twenty, in 1837; selling combs, toys, and toilet articles in New York streets during the day; making the deliveries at homes in the evening—in 1825 he was going strong in the tobacco business at 2 Liberty Street, later and for seventeen years at 23 Liberty. In 1856 he advertised 'Indians,' the first advertising of its kind in the scope of my research. The year 1871 found him at 43 Liberty, a shabby five-storied brick building opposite the post-office. There Hen assembled the largest congress of wooden braves the world has ever seen or ever will see. An octogenarian cigar-maker tells me it was an awesome sight, these hundreds of wooden red men with their fresh war paint.

HEN was unique. One faithful over-cloak trailed at his heels for his last twenty-six years. He was a bachelor and took his three nephews as apprentices. Hen permitted each nephew to run the business a year, with the net result that at Uncle's death every nephew was cut off without a cent. As Uncle left more than $1,500,000 in 1887, when a dollar was a dollar, that was some cut off. It was no reflection on the nephews; it was just Ed. Hen's way.

HIS subsistence budget was twenty-five cents a day. He once said his breakfast cost was eight cents, except that when he used butter on the single slice of bread or roll the cost of high living rose to ten cents. Hen's only luxury was snuff. Between his intense frugality and his remarkable business acumen he became a factor in the financial world and his was a familiar figure in Wall Street, usually at Vermilye & Company's or J. P. Goodheart & Company's, his favorite brokerage houses. Just to mention that he once lent Joy Cooke & Company $500,000 cash, and only two weeks before their historic failure got his money back, is enough to say for both the financial standing and the alert mind of Edward Hen.

HE slept in his store and hoped he would die there—and he was found dead back of a counter. He had a superstitious aversion to 7 and died in 1887—'Old Man Hen Is Dead' was the *Herald's* headline. Possibly his most picturesque incident was his once tardy arrival for the Staten Island ferry-boat. The crew was obdurate to his signs and shouts as he ran across Battery Park. As the guard-chain met him amidships and threw him back on the stone platform, he cursed the boat and crew. And the boat's boilers promptly blew up—this by oral tradition.

A FOURTH name in the heyday of the wooden Indian was William Demuth & Company, 801 Broadway, who dealt chiefly in pipes and in tobacconists' supplies. So completely has the wooden Indian vanished that no one in that concern (just prior to the recent change of ownership) could recall or tell from records when Indians, if ever, formed a staple line of their business; but Leopold Schwager, of Brooklyn, still alert and merchandising the weed in the Borough Hall district, remembers well when he sold Demuth's Indians as an important side line. Samples were impossible, and prospects were shown an attractive illustrated catalogue with descriptions, prices, and the latest discounts in XXX chiefs and *extra special* Pocahontases (or whatever the plural may be).

MR. SCHWAGER is my sole find as a distributer of wooden Indians to eager tobacconists and admiring public. No evidence of a factory has come to light nor information regarding the methods dealers used to acquire and replenish stocks. The metal Indians which came on later and disputed with the wooden tribe for possession of the sidewalks of New York and elsewhere were certainly cast from standardized moulds, but as to where and when and how and by whom history remains dark and silent.

WOODEN Indian carvers were not addicted to hall-marking their product by symbol, initials, or name; but in all probability the first wooden-Indian making in this country was done by ship-carvers, then a distinct calling. There were not many of these carvers, only five in New York in 1857.

THAT cigar-stand Indians were allied with the ship-figurehead industry is strongly evidenced. An Indian in the Historical Society Museum, Reading, Pa., was a figurehead on a ship when purchased at Philadelphia by Charles Bernheiser and made a landlubber brave. The workmanship and some peculiarities of this figure suggest the handicraft of William Rush, who was the foremost sculptor of Philadelphia, if not of the entire country in Revolutionary days and later. His figureheads were world-famous. The tradition that Rush, Samuel Mac Intire, and other figurehead makers put chisels to pine and carved wooden Indians is wholly believable. Further research, I believe, will show them caught with the wooden goods. A wooden Indian in those days was a serious form of commercial art, not 'property' corpses for collegiate travesties nor subject of raucous laughter by those denied education in its higher forms."

# Cigarette Outlook for 1933

## Some Rough Estimates of Probable Results

NOW that all of the leading cigarette manufacturers have reported results of operations for last year, it is possible to make some rough estimates of probable results for this year. A close appraisal of earnings prospects for 1934 is rendered especially difficult by such new factors as effect of the code on labor costs, effect on raw material costs of the agreement between tobacco manufacturers and the Secretary of Agriculture concerning prices, and by imposition of processing taxes at the rate of 4c per pound of tobacco used. The tendency in each instance will be toward increased costs of production. Another factor which is always of considerable uncertainty is the varying expenditures for advertising—a big item in the cigarette industry. We expect a sizable increase in such expenditures in 1934.

On the favorable side of the picture is the increase in prices of cigarettes from $5.50 per thousand to $6.10 early in January of this year. From these prices must be subtracted trade discounts and Federal excise taxes. We have prepared a tabulation which shows the approximate value to manufacturers of cigarettes produced from 1927 to date together with our preliminary estimate for the current year.

| | *Production (Billions)* | *Estd. Avg. Price per 1000 after Tax & Discts.* | *Estd. Value to Mfrs. (Millions)* |
|---|---|---|---|
| 1927 | 97 | $2.64 | $257 |
| 1928 | 106 | 2.39 | 253 |
| 1929 | 119 | 2.37 | 282 |
| 1930 | 120 | 2.64 | 316 |
| 1931 | 113 | 2.83 | 321 |
| 1932 | 104 | 3.04 | 315 |
| 1933 | 112 | 1.90 | 212 |
| 1934* | 120 | 2.36 | 283 |

* Advance estimates and assuming a continuation of present prices.

The last column in the tabulation above represents our estimate of the value of cigarettes produced, after subtraction of Federal excise taxes and trade discounts. From these figures must be subtracted: (1) the cost of raw tobacco; (2) production and distribution costs; (3) advertising expenditures; (4) interest on funded indebtedness, if any; (5) Federal income taxes. The balance remaining is available to stockholders.

We have arbitrarily assumed a probable increase in cigarette production for 1934 equivalent to that shown in 1933 over the previous year. In this connection it is interesting to note that production in January of this year was higher than for any corresponding month on record and exceeded the production for January 1933 by 33 per cent. With cigarette prices at their present level and assuming a production of 120 billion cigarettes for this year, manufacturers' sales will increase by about $60,000,000, after trade discounts and taxes. Roughly 90 per cent. of this will go to the four leading cigarette manufacturers.

The importance of such an increase in income from cigarettes is well illustrated by the fact that aggregate net profits reported by the four leading manufacturers for 1933 were approximately $58,000,000. Of this amount $5,000,000, reported by Reynolds Tobacco Company, represented profits from the sale of treasury stock and $4,000,000 spent for advertising was properly chargeable to the previous year. Making allowance for these items, total net profits of the four largest manufacturers were approximately $49,000,000. The expected increase in sales income from cigarettes this year is therefore greater than the total net profits reported last year. Increased manufacturing and operating costs will of course reduce substantially the amount carried through to net profits.

We estimate that the cost of tobacco for the manufacture of 120 billion cigarettes this year as compared with 112 billion produced last year, including processing taxes, will be increased by roughly $20,000,000. It appears that wage rates in the cigar and cigarette industry were increased close to 8 per cent. under the code. But, owing to the very definite tendency to increased efficiency in recent years, we anticipate no greater increase in total wage payments for 1934 than in production. In fact, wage payments in the five months ending with January, 1934 showed a gain of only 5 per cent. over the previous year, whereas cigarette production was up 14 per cent. and cigar production slightly ahead. Any further saving on wages through increased operating efficiency will be almost if not entirely eliminated. Any definite estimate of the probable increase in advertising expenditures for the year is frankly a guess, but we would not be surprised if such expenditures exceeded those of 1933 by $10,000,000.

We conclude that the probable increase in net profits to the tobacco manufacturers from 1934 cigarette sales, unless further price advances are made, will approximate $25,000,000. This is equivalent to about 50 per cent. of net profits reported by the four leading manufacturers for 1933.

Estimates, substantiated by reported earnings, indicate that Liggett & Myers materially improved its position in the cigarette trade during 1933. Without attempting to forecast changes in the relative trade posi-




HEAR THE CAMEL CARAVAN WITH CONNIE BOSWELL

STOOPNAGLE AND BUDD

**Casa Loma Band Delights Fans**

Have you heard the hit show of the air—The Camel Caravan? What a show! What a cast!

**COLONEL STOOPNAGLE and BUDD**—who have panicked radio fans from coast to coast bring still greater "things and stuff" to listeners on The Camel Caravan.

**CONNIE BOSWELL'S** vibrant...vivid...appealing contralto voice will thrill you...with the beautiful songs of the past...and the pleasing, lilting melodies of the current "hit" tunes.

**CASA LOMA ORCHESTRA**—recently voted by fans throughout the country as one of America's most popular bands, continues to charm listeners with its smooth, unusual rhythm and personality music.

So listen for the strains of the Casa Loma theme song, "Smoke Rings," light up a Camel, and hop aboard The Camel Caravan for 30 minutes of unalloyed enjoyment!

**ABOVE YOU SEE** an exclusive portrait of Colonel Lemuel Q. Stoopnagle and Budd, relayed to this publication by thought wave!

**GLAMOROUS CONNIE** At the left is little Connie Boswell...whose lovely deep contralto voice has made millions of radio friends for her!

**TUNE IN!** Every Tuesday and Thursday at 10 P.M., E.S.T.—9 P.M., C.S.T.—8 P.M., M.S.T.—7 P.M., P.S.T. over WABC-Columbia Network.

Copyright, 1934, R. J. Reynolds Tobacco Company

tions of the different companies for 1934, we have distributed the probable increase of $25,000,000 in net income between the four leading manufacturers on the basis of their estimated 1933 production. The results on anticipated per share profits are shown in the following tabulation which also includes per share profits for 1932 and 1933.

| | *1932* | *1933* | *Est. 1934* |
|---|---|---|---|
| American | $8.46 | $3.00 | $5.00 |
| Lorillard | 2.02 | 0.89 | 1.50 |
| Liggett & Myers | 6.85 | 4.84 | 7.00 |
| Reynolds* | 3.77 | 1.22 | 2.00 |

* The 1932 figure includes 40c per share for advertising appropriations not actually used while the 1933 figure has been adjusted downward by a like amount plus 50c for non-operating income. Earnings reported by the company were $3.37 in 1932 and $2.12 in 1933.

It is entirely conceivable that further price advances will be announced during the year. Any such action would cause sharp upward revisions in our earnings estimates, since increased costs have already been taken into account in arriving at the 1934 estimates.

In regard to the possibility of further price advances, it is worth mentioning that Reynolds, the only one of the big four not expected to cover its dividend requirements in 1934, has in past years been the leader in price revisions. With 1934 earnings expected to fall somewhat short of dividend requirements and costs rising, it may be that Reynolds will again see fit to lead the way in initiating further cigarette price advances.

From a financial standpoint all the leading cigarette manufacturers are in strong position. On December 31, 1933, the relation of current assets to current liabilities for the different companies was as follows: Liggett & Myers 33 to 1; Reynolds Tobacco 26 to 1; Lorillard 24 to 1; and American 24 to 1. In each instance cash and securities together far exceeded total current debts. Cash and marketable securities reported by Liggett & Myers at the year-end totaled about 14 times total current debts and was sufficient for more than 7 years' interest and dividend payments at prevailing rates. Reynolds had cash equivalent to about 8 times total current debts and sufficient for one and two-thirds years' dividend requirements. Lorillard's cash was also about 8 times total current debts and sufficient for almost 5 years' interest and dividend requirements. American Tobacco had cash and marketable securities equivalent to six times total current debts which was in excess of one year's dividend requirements.

It is obvious that each of these companies is in sufficiently strong financial position to pay out a large portion of earnings in dividends. Each, in fact, paid more than was earned in 1933. With improvement in prospect for the current year, we anticipate a continuation of payments at current rates.

With cigarette production expanding, prices having been recently increased, and with all the leading manufacturing companies in extraordinarily strong financial positions, we regard their stocks, now selling at prices offering high yields, as among the more attractive investment issues. They should be retained.

*The foregoing analysis of the outlook for cigarettes is reprinted, by permission, from the Brookmire Analyst, issued by Brookmire, Inc., a New York firm of investment counselors and administrative economists.*

# How Tobacco Reduction Plan Is Working

## 275,000 Growers Expected to Take Part in 1934 Program

TOBACCO growers had been over-producing for a number of years with the result that stocks piled up in warehouses while returns to farmers sank lower and lower, states a report on agricultural adjustment by Secretary of Agriculture Henry A. Wallace, made public on March 26. The report points out that receipts from the sale of all types of tobacco had declined from approximately $286,000,000 in 1929 to $107,000,000 in 1932. During the period in which returns to growers had declined so drastically, the manufacturers of tobacco products were able to increase their profits. Total profits of 52 leading tobacco manufacturers, according to the report, were $146,000,000 in 1932 compared with $134,000,000 in 1929 and $76,000,000 in 1932.

"Obviously the tobacco grower was not receiving an equitable share of the tobacco consumers' dollar," it is pointed out. "When the situation was examined in detail, it was found that large stocks of practically all types of tobacco had accumulated for one reason or another during the last few years and the need for a crop reduction program was evident."

The first tobacco adjustment program to be inaugurated was designed to bring about a reduction in the 1933 crop of cigar tobacco. This program will be continued in 1934. Adjustment programs for the other types of tobacco were inaugurated to bring about a reduction in 1934 production.

Approximately 275,000 tobacco growers are expected to take part in programs to adjust 1934 tobacco production. Rental and benefit payments for reducing the 1933 and 1934 crops will total around $40,740,000.

In order to increase growers' returns for their 1933 crops, marketing agreements between the Secretary of Agriculture and the domestic buyers of tobacco other than cigar types were negotiated and put into effect. The marketing agreements for the 1933 crop were to supplement the 1934 tobacco reduction programs. Marketing agreements were negotiated for flue-cured, Burley, fire-cured, and dark air-cured tobaccos.

As a result of the marketing agreement and adjustment program for flue-cured tobacco, the 1933 crop sold on the market for prices which brought growers a much higher return than did the 1932 prices. The estimated total value of the 1933 flue-cured crop, according to the report, is $115,000,000 compared with $44,000,000 for the 1932 crop and $56,000,000 for the 1931 crop.

Total income from Burley tobacco during the current marketing season will be fully $55,000,000. The income received from each of the past two Burley crops was $39,000,000. The report shows that comparable results have been obtained for growers of other types of tobacco.

CIGARETTES
LUCKY STRIKE
Copyright, 1934, The American Tobacco Company
THE HEIGHT OF GOOD TASTE
NOT the top leaves—they're under-developed—they are harsh!
Only the Center Leaves—these are the Mildest Leaves
The Cream of the Crop
NOT the bottom leaves—they're inferior in quality—coarse and sandy!

# All Tobacco Products Increase in February

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for February, 1934, are subject to revision until published in the annual report):

| *Products* | —*February*— *1934* | *1933* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 261,955,230 | 246,990,730 |
| Class B .....No. | 1,828,450 | 2,179,483 |
| Class C .....No. | 33,175,868 | 34,504,660 |
| Class D .....No. | 2,035,355 | 3,418,052 |
| Class E .....No. | 219,177 | 337,180 |
| Total ..... | 299,214,080 | 287,430,105 |
| Cigars (small) ....No. | 21,419,160 | 17,980,107 |
| Cigarettes (large) .No. | 27,254,800 | 203,601 |
| Cigarettes (small) .No. | 9,167,641,657 | 7,853,997,217 |
| Snuff,manufactured.lbs. | 3,320,649 | 2,665,037 |
| Tobacco, manufactured .....lbs. | 25,030,055 | 21,780,898 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*February*— *1934* | *1933* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 2,658,200 | 2,217,185 |
| Class B .....No. | 1,900 | 14,750 |
| Class C .....No. | 84,900 | 36,830 |
| Total ..... | 2,745,000 | 2,268,765 |
| Cigars (small) ....No. | 250,000 | 254,000 |
| Cigarettes (large) ..No. | 30,000 | 30,000 |
| Cigarettes (small) ..No. | 200,000 | 235,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*February*— *1934* | *1933* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 20,229,085 | 12,673,220 |
| Class B .....No. | 2,180 | 25,840 |
| Class C .....No. | 16,380 | 19,726 |
| Class D .....No. | 100 | ..... |
| Class E .....No. | 5 | 10 |
| Total ..... | 20,247,750 | 12,718,796 |
| Cigarettes (large) ..No. | 200 | 625 |
| Cigarettes (small) ..No. | 123,160 | 92,940 |
| Tobacco, manufactured .....lbs. | ..... | 24 |

### Internal Revenue Collections for February

| *Sources of revenue* | *1934* | *1933* |
|---|---|---|
| Cigars ..... | $776,217.37 | $752,763.76 |
| Cigarettes ..... | 27,699,530.45 | 23,563,755.90 |
| Snuff ..... | 597,716.88 | 479,706.74 |
| Tobacco, chewing and smoking ..... | 4,505,409.96 | 3,920,637.83 |
| Cigarette papers and tubes ..... | 58,964.82 | 51,564.52 |
| Miscellaneous, relating to tobacco ..... | 8,802.49 | 268.53 |

### Total Withdrawals for Previous Februaries

| | | | |
|---|---|---|---|
| 1920 ..... | 593,832,200 | 1927 ..... | 441,695,730 |
| 1921 ..... | 496,724,482 | 1928 ..... | 453,605,097 |
| 1922 ..... | 447,225,986 | 1929 ..... | 437,476,207 |
| 1923 ..... | 507,266,094 | 1930 ..... | 426,521,773 |
| 1924 ..... | 498,796,313 | 1931 ..... | 362,838,747 |
| 1925 ..... | 451,562,278 | 1932 ..... | 347,728,648 |
| 1926 ..... | 451,204,147 | | |

### Processing Tax Returns

Collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public—No. 10—73d Congress), approved May 12, 1933.

| *Commodity* | *Month of February, 1934* | *Total from July 1, 1933 (Fiscal year 1934)* |
|---|---|---|
| Tobacco, (tax effective October 1, 1933) | | |
| Processing tax .....$ | 2,169,984.47 | $7,598,898.19 |
| Import compensating taxes ..... | 14,464.49 | 92,174.85 |
| Floor tax, other than retail dealers ..... | 12,583.77 | 1,799,161.80 |
| Floor tax, retail dealers | 3,743.56 | 237,814.03 |
| Total, tobacco .....$ | 2,200,776.29 | $9,728,048.87 |

### AXTON-FISHER TOBACCO CO.

Axton-Fisher Tobacco Co. reports for 1933, as certified by independent auditors, net profit of $1,689,663 after charges and Federal taxes, equal after dividends on the 6 per cent. preferred stock and under the participating provisions of the shares to $17.02 a share on 45,485 shares of class A common stock and $7.21 a share on 112,012 shares of class B common stock outstanding at the end of the year. This compares with net profit in 1932 of $1,416,952 equal to $14.63 a share on 45,500 shares of class A common and $6.25 a share on 111,900 shares of class B common. If applied directly to the class A stock after deducting preferred dividends the 1933 net profit would show $34.80 a share on the class A, against $29.86 a share in the preceding year.

### PORTO RICAN AMERICAN TOBACCO CO.

Porto Rican American Tobacco Co. for 1933 reports net loss after taxes, depreciation and interest, $161,045, including $240,000 dividends received from Congress Cigar Company, Inc. This compares with net loss of $102,787 in 1932, including $240,000 dividends received from Congress Cigar and $31,860 received from Waitt & Bond, Inc.

### TOBACCO PRODUCTS EXPORT CO.

Tobacco Products Export Co. for 1933 shows net profit of $65,063 after taxes and charges, equal to 14 cents a share on 458,100 shares of capital stock, exclusive of 14,400 shares held in the treasury. This compares with $46,407, or 10 cents a share, on 459,300 shares in 1932.



Cigars are the most pleasurable and economical form of smoking. © 1934 B. C. I.

# BAYUK BULLETIN

NRA MEMBER U.S. WE DO OUR PART

VOLUME II. APRIL 1, 1934 NUMBER 5

## PHULOFAX (*The Retailer's Friend*) SAYS

### SIGN UP OR SHUT UP!

Dear Folks:

If, as a member of the Cigar Industry, I believe that the Cigar Industry "is going to the dogs," don't I virtually believe that *I*, too, "am going to the dogs"? And doesn't it prove that I am thinking more about going to the dogs than I am thinking about the Cigar Industry? Well, if I want to go to the dogs, O. K., but if I don't, why not start doing something about the Cigar Industry?

AND, inasmuch as I don't want to go to the dogs and even if I am only one single little individual, by gad, I'm going to do my damdest to see that the Cigar Industry doesn't go there either and, by gad, once again, I am going to do my level best to help steer the Cigar Industry to brighter and better channels. If that's Egotism, charge it to Egotism!

There's been the trouble in the past . . . as individuals in the Cigar Industry, we figured ourselves helpless . . . what can just one person do? And so nothing was done. When four or five of these cigar industry individuals got together, what did they do? Chatter — chatter — chatter! "We ought to do something about the cigar industry . . . Yes, gentlemen, WE ought to do something about it." And then what? NOTHING!

Since old Man Adam first rolled a cigar out of a fresh, fragrant fig leaf, millions of men have thought about the very principles back of the C. B. A. and eighteen billion words have been spoken about the very principles of the C. B. A. and not one particle of action to get going on the very principles of the C. B. A. has been exercised.

The Cigar Industry as a composite association of all people in the Cigar Industry has done nothing, simply because each member of the Cigar Industry has done nothing—each member in the Cigar Industry has been waiting and waiting and waiting for the "Industry to do something," and the "Industry" could do nought because the individual as an integral part of the Industry did double nought!

Now, the C. B. A. will get the "Industry to do something" if each and every member of the Industry joins and supports the principles of the C. B. A.

This column is uncensored by anyone—therefore I want to say that any member of the Cigar Industry who does not join and support the C. B. A. is not a worthy member of the Industry.

I am for the Cigar Industry; I am for the C. B. A. and even if I didn't have a million other reasons, I'm for the C. B. A. because I am for myself as a member of the Cigar Industry.

No one in the Cigar Industry can afford NOT to join the C. B. A.

Sincerely,

Phil M. Phulofax*

D. B. I.

*Associated with BAYUK CIGARS, INC., Philadelphia—Makers of fine cigars since 1897

# CBA FORMED TO BOOST CIGARS

## *Association to Popularize Cigar Smoking Opens Membership Drive*

"We must all hang together, or we shall all be hanged separately," said wise old Ben Franklin seeking to stiffen the courage of his more timid compatriots at the time of the American Revolution.

Somewhat the same crying need of real cooperation exists throughout the Cigar Industry today. It's not that certain cigar manufacturers are not making money. It's not that there is any real danger that the cigar business will dry up and blow away. But this fact remains — and it can't be laughed off — cigar consumption has not increased proportionately with population in this country.

The Cigar Industry is *not* forging ahead as it should by any means. That is a plain fact, which it would be foolish to deny. The only questions at issue are: Shall the Cigar Industry do anything about it or not? And if anything—what?

### *C B A Answers that Question*

This Association has decided that the Cigar Industry *shall* do something about it.

In discussing ways and means of putting new life into the Industry, many plans were suggested, among them the raising of a half million dollar fund for advertising and propaganda to popularize the smoking of cigars.

But finally all the various schemes were discarded in favor of an astonishingly simple and inexpensive plan that cannot fail to be immensely successful, *provided*—provided it receives the wholehearted support of a large majority of those who gain their livelihood, wholly or in part, from the manufacture or sale of cigars.

The practical application of the plan has been entrusted to a newly formed organization called the "Cigar Boosters' Association," or "C B A."

### *Principles of C B A*

The principles of CBA may be briefly summed up as follows:

"We propose to persuade, educate and in a measure, obligate everyone who sells cigars to *smoke* cigars—and not only to smoke cigars themselves, but to *make new cigar smokers whenever and wherever they can.*"

Simple? Nothing could be simpler. Effective? Yes, if everybody who benefits pecuniarily from cigar smoking will put his shoulder to the wheel by joining CBA and carrying out its principles.

You remember the old chestnut about the restaurant proprietor, who always went across the street for lunch? There's too much of that same attitude in the cigar business. It is not inconceivable that there are enough non-cigar smokers in the cigar and affiliated industries actually to start a new vogue for cigars by the simple expedient of smoking cigars themselves.

### *Spreading the Gospel*

As for doing effective propaganda for cigars among those not connected with the industry—the field is broad. The CBA member is limited only by his own intelligence and common regard for decency and politeness.

Think of how many possible ways there are to call attention to the most enjoyable of all forms of tobacco, and one of the greatest and least costly of pleasures known to man!

### *The C B A Credo*

Is there anything in the following credo to which any man in the cigar business cannot, or should not, subscribe?

1. EXAMPLE—I myself will smoke cigars; freely, openly, joyously; thus serving as a living example in this respect to my fellowmen.
2. INFLUENCE—I will expect observance of the above also from those who do business with me or seek my patronage, and I will *let them know* that I expect it.
3. PROMOTION—I will make new cigar smokers inside and outside of the cigar business, wherever and whenever the opportunity offers—and I will *make such opportunities.*
4. PRIDE—I believe that a good cigar adds to the sum total of human happiness and I am proud of the product I sell; I make my living from the cigar business and I will be loyal to it.
5. UPLIFT—I am forever done with crepe-hanging and complaining, and henceforth and hereafter will spread only the good and the glad tidings of cigar smoking and the cigar industry.
6. INSIGNIA—As far as may be practicable I will wear constantly our badge of membership on my coat lapel.

### *How About You Joining CBA?*

The membership dues are nothing a year. But each member is asked to contribute twenty-five cents (if he can spare it) to cover the cost of the badge and postage. But if he can't spare the quarter, he's welcome anyway. It's *men*, not money, that CBA wants.

The Bayuk Bulletin endorses CBA wholeheartedly, and pledges its support lock, stock and barrel. Were we to do any less, we would be defaulting on our own preachment and practice of years.

We earnestly urge every retailer, every jobber, every cigar salesman, every cigar factory employee—everyone even remotely connected with the Cigar Industry to join. It's their fight and ours, their bread and butter and ours. If we *don't* go into this thing body, soul and breeches, we deserve to see the cigar follow the horse and buggy into that dusty limbo where are stored the quaint old customs of our fathers.

Anyone who thinks that thousands of intelligent, alert men working together with the single purpose of bringing the cigar back into its own, can't do it—Well, he's the same citizen who looked at the horseless carriage and said: "They'll never make the dang thing go."

### MEMBERSHIP CARD

**Cigar Boosters' Association**

**MEMBER** .....

Please type or print name on this line

**I pledge myself to adhere as strictly as is humanly possible to the stipulations on the other side of this card and herewith enroll myself as a member of the Cigar Boosters' Association.**

Name .....Firm Name.....

Mailing Address .....

.....

[All membership registrations to be filled in and signed in duplicate. Keep one and carry it. Mail the other to: Cigar Boosters' Association, care THE TOBACCO LEAF, 135 Front Street, New York, N. Y. No dues or financial obligation of any kind; but if you can spare a quarter to cover badge and postage, send it along with application.]

*Cigar*

SMOKING CORDIALLY INVITED

Can you use a sign like this in your place of business? Write to *Bayuk Bulletin* (Ninth Street and Columbia Avenue, Philadelphia, Pa.).

BAYUK BRANDS BUILD BUSINESS

**Bayuk Philadelphia Perfecto**
(BAYUK "PHILLIES")
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

# Bayuk Phillies Victory Dinner

DISTRIBUTORS in the Metropolitan area staged a Bayuk Phillies Victory Dinner at the Maplewood Country Club, Maplewood, N. J., on Friday night, March 16. Arriving at five P. M. festivities began at once. Lots to eat and drink before sitting down to dinner, which was a masterpiece concocted by Mine Host Lloyd, of the Maplewood C. C. After dinner Harry Rothschild, president, very sincerely yet wittily welcomed the opportunity of joining the distributors and their salesmen in celebrating Phillies success in 1933 and promised that Bayuk would come thru in even grander style in 1934. Other speakers were A. Jos. Newman, vice-president and general sales manager, Neal D. Ivey, "Babe" Bergen, Al Lynch, the two Browns—Fred E., manager of the New York Branch and Abe, manager of the Newark Branch—and Joseph Kolodny.

The glee club of the New York Branch sang several very appropriate parodies and then on with the show which was a wow. At one A. M. all lights out with everybody tired but happy. The dining room was appropriately decorated with Bayuk Phillies Victory Dinner as the center theme surrounded by the names of the celebrities present. Green in honor of St. Patrick's Day was the predominating color.

Those present from the Jersey City Tobacco Co. were Meyer B. Cohen, Morris Wecker, Harry Mednikoff, Wm. Doror, Wm. R. Woodruff, Samuel Morris, Larry Strauss, A. B. Peacock, Max D. Cohen, Saul Kolodny, Steve Airel and J. Joseph Leddy, and Joseph Kolodny, managing director.

Those present from the Newark Branch were Wm. T. Glassford, Harry Bee, I. Weinberg, David Sholk, Sol Evenchick, Chas. H. King, Al C. Lynch, I. Hess, credit manager, Allen Strombeck and Abe Brown, branch manager.

From the Progressive Cigar Co. of Trenton there were present Jos. S. Murphy and Ad Hanauer.

From M. Bergen & Sons of Elizabeth there were present Harry E. Reed, Charles J. Bergen, Wm. A. Bergen, J. Donahoe, and A. A. Bergen.

From Wells Cigars, Inc. of Hackensack there were present Chester A. Wells, Rus. Helck, and Geo. Vandermeer.

Robert J. Fellows of Bound Brook, distributor for Somerset County was also present.

Then from the New York Branch of Bayuk Cigars, Inc. there were Edward C. Asher, Charles Levy, Ben Albert, C. K. Zimmering, Sol Enndy, Peter Rubino, J. J. Gale, A. V. Swagerman, Geo. H. Barrett, J. J. Murphy, L. Weinstein, Fred J. Hillman, Thos. S. Hughes, Harold L. Little, L. Hoffman, Meyer Kleinstein, John D. Pash, Samuel Saul, Thomas Opetsinger, J. D. Zeitlich, C. L. Johnson, A. W. Gondey, L. J. Ripperger, Frank A. Gium, W. G. Kinkade, Geo. Lindquist, Max Weidler, Wm. Jelling, Jos. H. Florsheim, Jesse Berger, P. Michael McGurn, L. O. Lassele and Fred E. Brown, branch manager.

From the home office at Philadelphia there were present Harry S. Rothschild, president, A. Jos. Newman, vice-president and general sales manager, and E. M. Hirst, chief of the advertising dep't. and expert bowler of the Bayuk Phillies bowling team.

Neal D. Ivey represented McKee Albright, Bayuk's advertising agency.

The guest of honor was I. Goldberg of Coatesville, Pa., better known as the Boy Bandit. (Ike, reported to be ninety and nine, carries his years very lightly.)

Also present was Ed. C. MacAllister, chairman of the arrangements committee, master of ceremonies, and guardian of the wine cellar, and Charles Wright, specialty man.

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### COURT VICTORY FOR BAYUK

On February 20, 1934, the Supreme Court of the State of New York awarded Bayuk Cigars, Inc. damages of $10,000. and costs in an action instituted by Bayuk Cigars, Inc. against Julius Landsman.

The cause of this action was based on the use by Landsman of the word "Philadelphia" on labels and bands of cigars sold by him; Bayuk Cigars, Inc. asked the courts to protect them against the use of labels and bands which they claimed and which the court held infringed on the labels and bands of Bayuk Philadelphia Cigar.

# Amendments to Leaf Tobacco Code

AMENDMENTS to the section on unfair methods of competition of the proposed code of fair competition for dealers, redryers, packers, and storers of leaf tobacco, were offered at a public hearing which concluded at the Mayflower Hotel, Washington, on May 21. To the original provisions of the proposed code, which listed only false advertising and misbranding as unfair methods of competition, J. C. Lanier, of the tobacco section of the Agricultural Adjustment Administration, offered 12 amendments, covering methods of weighing, time for payment, determination of opening dates for markets, prohibition of collusion, and regulation of sales.

The amendment regarding weights would prevent the buyers from passing back to producers losses in weight sustained by theft, handling, or loss in moisture, after the tobacco had passed into the purchaser's possession. Buyers could require reweighing of their purchases at time of sale on auction markets by a licensed or bonded weighmaster, for settlement on that basis. If lots of tobacco were not reweighed, the basis of settlement would be on the weights listed by the warehouse at time of receiving tobacco from farmers.

The Secretary of Agriculture would be given power, under a proposed amendment, to determine the opening date of auction markets in various areas. Maximum rate of sales would be limited to 350 baskets or piles per hour on any auction floor, except for Federally graded tobacco, in which case the maximum rate of sale would be 375 piles or baskets per hour. Also, buyers would be prohibited from purchasing at private sale any tobacco which has been displayed on the auction floor, until it had first been offered for auction.

The buyer making the last bid would be considered the purchaser of the tobacco, unless the bid is rejected by the owner, and buyers could reject sales only on proof that purchases have been "nested" or "shingled," or the true grade and damage have been hidden by some such device, according to amendments.



### NEWS FROM CONGRESS

(*Continued from Page 5*)

recovery, naming specifically the Wagner bill giving permanent status and increased power to the National Labor Board, the Connery bill providing a 30-hour week for industry, and the securities legislation.

The country is rapidly approaching a limit to the capacity of the consumers' goods industries to absorb unemployment, it was warned by the committee, of which Clay Williams, president of the R. J. Reynolds Tobacco Company, is a member. Even if this class of industries were to employ more labor than in 1929, it was said, the bulk of those today out of work would still remain unemployed.

"The main burden of unemployment is in the capital goods industries," it was asserted, "and this burden cannot be loaded entirely or primarily upon those manufacturers producing consumer goods. At this stage of recovery, we believe that further substantial progress in reabsorbing the unemployed necessarily depends upon revival of capital goods industries.

"The natural question, therefore, is: What retards and destroys such confidence? We believe the answer is found in the unnecessary and repeated stirring up of uncertainties and fears which, while assuming political form as legislative proposals, are pertinent because of their direct bearing on the economic factors involved."

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### "ON OUR WAY" SAYS BROGAN

Paul Brogan, vice-president of Yahn & McDonnell Cigars, believes that the depression is really over and that we are definitely on the upward trend. He is so firmly convinced that such is the case that his firm has engaged W. E. Yoemans, formerly representing Frings Bros. Co., to represent his firm in southern New Jersey. And just to show that his heart is in the right place and that he is co-operating with the President in his re-employment program, they will take on another salesman within the next two weeks. Mr. Brogan states that their business is definitely showing an increase, and unquestionably we are "on our way" to recovery.

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### WAGNER IN 3 NEW SIZES

John Wagner & Sons announce that they are preparing three new sizes of their Wagner brand of cigars, which will soon be ready for distribution to the trade and which they believe will further increase the popularity of this brand. The new sizes will be larger and in popular shapes which will appeal to the consumer. This fine brand is already enjoying a splendid call. . . . Their Monticello cigar and Don Sebastian lines are also going very good. They recently completed a promotional campaign among the smokers of high-grade cigars, on these brands, with good results. . . . They also report that their stock of imported brands is rapidly becoming depleted, and as there is an increasing demand for this type of merchandise at this time, the condition is assuming serious angles. . . . Their Monticello smoking tobacco is also enjoying a steadily increasing demand as a result of promotional work carried on in the middle west, where many new placements have been obtained and repeat orders received.

### TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Treasurer
ASA LEMLEIN, New York, N. Y. ..... Counsel and Managing Director
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

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MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

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MORRIS LEVITONE ..... President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. ..... Secretary

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JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
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UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN ..... President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. ..... Secretary

## RETAIL DEALERS HOLD MEETING

ON FRIDAY evening, March 16th, the recently organized Retail Tobacco Dealers of Philadelphia, Inc., held a meeting at 617 Chestnut Street, which was well attended by prominent retailers throughout the city.

Mr. Harvey L. Hirst, chairman of the Special Cigar Manufacturers' Committee, and Frank P. Will, chairman of the Merchandising and Sales Committee, were present and addressed the meeting on questions involving the progress of the Code, and stressed the need for a substantial organization of retail tobacco dealers in Philadelphia in order to make sure that the retail branch of the industry receives all the benefits from the Code to which they are justly entitled.

Plans for an intensive membership drive were discussed and another meeting of this organization will be held early in April, and all members of the retail branch who believe in an organization of this kind are urged to be present.

This organization is affiliated with the Retail Tobacco Dealers of America, Inc., the national organization of retailers, and is prepared to co-operate with it to the fullest extent just as soon as the Code for the industry is officially approved.

According to the latest information we have, the industry's Code has received the approval of all of the advisory boards in Washington and now needs only the signature of the Deputy Administrator and that of General Johnson to become a law.

If the retail tobacco dealers in this city, or any other, hope to derive the full benefits of the Code when it is approved, they should not fail to get behind this organization and give it their fullest support by applying for membership at once and then co-operate with it in every way possible. There is no other way to bring order out of the chaos now prevailing throughout the industry.

Membership application should be made as promptly as possible to the secretary, Samuel Greenwald, 1205 Wyoming Avenue, telephone Michigan 6778; to George Jones, treasurer, 617 Chestnut Street, telephone Lombard 8105; Harry A. Tint, president, 1420 Chestnut Street, telephone Rittenhouse 0397, or The Tobacco World would be glad to see that someone calls on you with application blanks if you will call Lombard 1768.

## "CREAM OF THE CROP"

MORE than four-fifths of the entire tobacco plant is discarded in making Lucky Strike cigarettes, only the choice center leaves being used, according to a statement by the manufacturers. Tobacco is one of the most sensitive of plants, and is particularly susceptible to differences in climate and soils of various regions. Thus, there are many kinds and grades of tobaccos and of these only relatively few are suitable for use in making a really popular cigarette.

"Even on the same tobacco plant," the statement reads, "not all the leaves will meet the rigorous test. The top leaves are under-developed, while the bottom leaves are inferior in quality, coarse and sandy. The center leaves are mildest and are fully ripe. Consequently these are the only ones used, approximately 86 per cent. of the tobacco plant being discarded."

## MAKE-UP OF CODE AUTHORITY

WHEN the retail tobacconists' Code of Fair Competition is approved, a Code Authority constituting a representation of every significant element of retail distribution of tobacco products will act for the industry. The Code Authority will consist of one member from the retail grocery trade,—two members from the retail drug trade,—one representing chains and one representing independent druggists,—one member representing all other outlets for tobacco products and five members from the retail tobacco trade, one of the members of the tobacco trade to be a representative of the tobacco chains. The members from the grocery and drug trade are to be appointed by the Administrator.

In addition to the above nine members, the President may appoint three additional members to serve without vote.

It is predicted the Code will contain a clause compelling every merchant selling tobacco products to pay annual dues to finance effective enforcement of the Code. At the recent conferences of Code Authorities in Washington, it was asked that failure to contribute a fair share to the support of Code enforcement be made a violation of the Code and subject to the same penalties and punishment as violation of any other provision in the Code.

The need which prompted the request for enforced assessments upon the industries was based upon the idea that it is manifestly unfair and un-American for a small portion of an industry to pay all the costs of administering a Code which protects and benefits all, even those who refuse to pay. Moreover, with everybody paying an equitable share of the expense, the burden cannot possibly be heavy upon anybody.

## FRICK CHESTERFIELD ANNOUNCER

FORD FRICK, popular sports commentator, has been signed as announcer for the new thrice-weekly Chesterfield series starring Rosa Ponselle, Nino Martini, Grete Stueckgold and Andre Kostelanetz. The programs will be heard over the WABC-Columbia network every Monday, Wednesday and Friday from 9 to 9:30 P. M., E. S. T., starting April 2d.

Frick has held a prominent place on the air for the past four years. He is a former professor of English at Colorado College and gave up teaching to follow his great interest in baseball and newspaper work. He was a baseball reporter for ten years, served a term as president of the Baseball Writers' Association, and is at present manager of the Service Bureau of the National League. He has just completed a tour of several major league training camps.

## AMERICAN SUMATRA TOBACCO CO.

American Sumatra Tobacco Co. and its wholly owned subsidiaries as of January 31 (subject to audit at the end of the fiscal year, July 31), show total assets of $7,185,306, compared with $7,183,727 on January 31, 1933, and total surplus of $4,239,168 against $4,250,336. Current assets, including $525,581 cash, amounted to $2,224,106 and current liabilities to $32,174. This compares with cash of $477,978, current assets of $2,163,447 and current liabilities of $15,446 on January 31, 1933. Capital stock amounts to 193,105 no-par shares.

NBC
RED NETWORK
9:30-10 P. M., E. S. T.
New York ..... WEAF
Hartford ..... WTIC
Providence ..... WJAR
Worcester ..... WTAG
Portland ..... WCSH
Philadelphia WFI-WLIT
Baltimore ..... WFBR
Washington ... WRC
Schenectady ... WGY
Buffalo ..... WBEN
Pittsburgh ... WCAE
Cleveland ... WTAM
Detroit ..... WWJ
Cincinnati ..... WSAI
•
8:30-9 P. M., C. S. T.
Chicago ..... WMAQ
St. Louis ..... KSD
Des Moines WOC-WHO
Omaha ..... WOW
Kansas City ..... WDAF


# Seven Months Withdrawals for Consumption

| | *1st 8 Mos. Fiscal Yr. 1934* | *—Decrease + Increase Quantity* |
|---|---|---|
| Cigars: | | |
| Class A— | | |
| United States .. | 2,547,940,700 | + 229,244,965 |
| Puerto Rico ... | 37,191,980 | — 2,273,090 |
| Philippine Is. .. | 160,517,595 | + 44,476,860 |
| Total ..... | 2,745,650,275 | + 271,448,735 |
| Class B— | | |
| United States .. | 21,851,485 | — 6,795,641 |
| Puerto Rico ... | 2,150,100 | + 2,062,850 |
| Philippine Is. .. | 108,264 | — 412,429 |
| Total ..... | 24,109,849 | — 5,145,220 |
| Class C— | | |
| United States .. | 392,202,480 | — 83,202,520 |
| Puerto Rico ... | 734,430 | — 167,450 |
| Philippine Is. .. | 187,142 | — 12,106 |
| Total ..... | 393,124,052 | — 83,382,076 |
| Class D— | | |
| United States .. | 30,088,540 | — 4,784,032 |
| Puerto Rico ... | 1,000 | — 500 |
| Philippine Is. .. | 2,050 | + 174 |
| Total ..... | 30,091,590 | — 4,784,358 |
| Class E— | | |
| United States .. | 3,843,646 | — 550,315 |
| Puerto Rico ... | ..... | ..... |
| Philippine Is. .. | 2,556 | — 24,217 |
| Total ..... | 3,846,202 | — 574,532 |
| Total All Classes— | | |
| United States .. | 2,995,926,851 | + 133,912,457 |
| Puerto Rico ... | 40,077,510 | — 378,190 |
| Philippine Is. .. | 160,817,607 | + 44,028,282 |
| Grand Total .. | 3,196,821,968 | + 177,562,549 |
| Little Cigars: | | |
| United States .. | 150,408,574 | — 16,760,227 |
| Puerto Rico ... | 2,030,000 | — 1,024,000 |
| Philippine Is. .. | ..... | ..... |
| Total ..... | 152,438,574 | — 17,784,227 |
| Cigarettes: | | |
| United States .. | 74,705,211,562 | + 6,540,636,269 |
| Puerto Rico ... | 3,036,000 | + 792,660 |
| Philippine Is. .. | 891,250 | — 364,460 |
| Total ..... | 74,709,138,812 | + 6,541,064,469 |
| Large Cigarettes: | | |
| United States .. | 36,846,700 | + 34,780,763 |
| Puerto Rico ... | 645,000 | + 285,000 |
| Philippine Is. ... | 6,400 | — 4,591 |
| Total ..... | 37,498,100 | + 35,061,172 |
| Snuff (lbs.): | | |
| All United States | 24,558,277 | + 1,599,975 |
| Tobacco (mfgd. lbs.): | | |
| United States .. | 203,135,515 | + 3,170,234 |
| Philippine Is. .. | 71 | — 120 |
| Total ..... | 203,135,586 | + 3,170,114 |


**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

Name .....

Street No. .....

P. O. ..... State .....

Established 1886

*"BEST OF THE BEST"*

OPTIMO CIGARS — VERY MILD — VERY MILD

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

OUR HIGH-GRADE NON-EVAPORATING

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

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CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATION

D. R. D. A.:—**46,303.** For all tobacco products. American Box Supply Co., Detroit, Mich., March 10, 1934.

### TRANSFER

**RENWICK PARK:—46,297** (Tobacco Merchants' Association). For cigars, cigarettes and tobacco. Registered February 8, 1934, by F. M. Howell & Co., Elmira, N. Y. Transferred to Renwick Cigar Co., Newfield, N. Y., March 16, 1934.

**WHITE CASTLE:—36,149** (United Registration Bureau). For cigars, cigarettes and tobacco. Registered December 2, 1910, by George Schlegel, New York, N. Y. Through mesne transfers acquired by J. I. Schindler, Red Lion, Pa., and re-transferred to George Schlegel, Inc., New York, N. Y., February 8, 1934.

**SAVANA:—20,131** (Tobacco World). For cigars, cigarettes, cheroots and tobacco. Registered May 4, 1910, by T. A. Wadsworth, Detroit, Mich., and **40,682** (Tobacco Merchants' Association), for cigars. Registered May 16, 1918, by Mazer Cigar Mfg. Co., Detroit, Mich. Through mesne transfers acquired by the American Box Supply Co., Detroit, Mich., and re-transferred to D. Emil Klein Co., New York, N. Y., February 28, 1934.

**RESILIA:—26,204** (Trade-Mark Record). For cigars. Registered February 10, 1902, by Henry Drucker, New York, N. Y. Transferred by Harry Prochaska, Inc., New York, N. Y., successors to the registrant, to the La Floridana Cigarette Co., Tampa, Fla., March 15, 1934.

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The N. Snellenburg department store has rearranged their cigar department so as to give much better display to their merchandise and are displaying Haddon Hall and Medalist cigars in three sizes to good advantage. They also have Melval cigars (Wertheimer Bros., Baltimore), El Producto, Gonzalez & Sanchez, Dutch Masters and Garcia y Vega well displayed.

"What a welcome visitor THE TOBACCO WORLD must be to wholesalers and retailers!

"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

APRIL 15, 1934

VOLUME 54 — No. 8

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# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
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**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
*Chicago, Ill.*
*Detroit, Mich.*
*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol. 54 APRIL 15, 1934 No. 8


*The TOBACCO WORLD has signed the President's agreement and is operating under NRA Code, gladly and wholeheartedly co-operating to the fullest extent in the Administration's effort to promote industrial recovery.*

▲

ADVANCE estimates of cigarette production for March show a gain of about 20 per cent., or five billion units better than the corresponding period of last year. This puts last month's production above March of the last two years and in advance of February, when the substantial production of more than nine billion, 167 million, was recorded. It is not likely, however, that the total will exceed the peak March of 1931, with a production of more than nine billion, 800 million units. In January and February combined, production reached a new high of 20,650,983,500, compared with the previous high for those two months of 18,673,237,190 in 1930. It is estimated that production for the first three months of this year will total thirty billion cigarettes.

▲

WOULDN'T it be a fine thing, we thought, if similar gains could be announced for cigars? Wouldn't it be splendid if the March figures should record another gain for cigars, in line with those of the last several months? And it was while we were thinking these thoughts that we ran into Frank P. Will, executive vice-president of G. H. P. Cigar Co., who came back from a Western trip, spent a few hours at his desk, then beat it to Washington on one of his numerous journeys in the interest of the cigar code, and then returned for a few hours to his office. We caught him between trains, as he was expecting to hop to Washington within an hour.

▲

IT WOULD be a fine thing," said he, "but the cigar business is doing encouragingly well right now, and has been for some time. Do you realize that there has been a nice gain in cigar withdrawals for the eight months ending February 28th? To my mind, that is something to rejoice over, when you compare that gratifying result with the steady and seemingly never-ending losses in the total figures for the last several years. I have no patience with the man in this business who will take the total figures apart for the sad pleasure of showing that the five-cent cigar accounts for the gains and overcomes losses in other classes. He does not seem to realize the point. The point is that people have not stopped smoking cigars. They are smoking more cigars now and have been smoking more cigars during the last eight months than during the corresponding eight months of the previous year. That is a great big something in favor of everybody in the cigar business, no matter whether or not his class of cigar registered a gain. If the total cigar business continued to dwindle, then we could have had something to worry about.

▲

AND why do cigar men do so much worrying over the growth of the cigarette business? There again, the average man in the trade does not seem to interpret the facts properly. If, during the time that smokers had been cutting down on their cigars, they had been treating the cigarette the same way, don't you see what that would have meant? It would have meant a decline in the appeal which tobacco has for Americans. It would have meant that the habit of smoking was itself on the decline. As long as people continue smoking tobacco in any form, there is a good chance for every manufacturer of a tobacco product to do a profitable business. No, the growth of the cigarette has not discouraged me. On the contrary, it has encouraged me.

▲

ANOTHER thing that sometimes amuses me, and would give me a laugh oftener, if only it were not so exasperating. It is the attitude of the man who tells me about the wonderful business another cigar manufacturer is doing, expecting he is going to cause me to weep on his shoulder. He is surprised when I tell him he has brought me good news. Sometimes he does not seem to get the point when I explain that if I knew of a cigar manufacturer who was putting out a good product, at an attractive price, advertising it and promoting it, and still not making any sales, then I'd begin to reach the conclusion that I ought to get out of the cigar business. Certainly it is good news to hear that the opposite effect is resulting.

▲

WE MEN in the cigar business are too prone, I am afraid, to put the blame for unsatisfactory business anywhere except where it belongs. It is too much the custom to blame bad business on bad conditions, or on this, that or the other reason, when the blame should rest on our own shoulders. No, young man, you can't make me feel unhappy by telling me how well the cigarette people are doing, nor how well some other cigar manufacturer's product is going over. As a matter of fact those are two of the three reasons why I am feeling fine this morning over the outlook. The third reason? Well, we don't like to talk about ourselves, but ——." Thank you, Mr. Will, for writing our editorial for this issue. You didn't know you were doing it, and you'll be surprised when you see it for the first time here in print, but you did a workmanlike job, just the same.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Cheer Up! We'll Soon Have A Code

WHEN announcement came from Vincent Astor's yacht that the President would add another week to his fishing trip, it meant that in all probability the Retail Tobacco Dealers' Code would not be signed by Mr. Roosevelt until some day after his return to his White House desk on or about April 16th.

That the Presidential signature will promulgate the Code as a part of the law of the land in about ten days or, at most, two weeks, from now, seems to be the general opinion of those who closely observe political developments in Washington.

As the Code is now written, Mr. Roosevelt's act of signing it will eliminate all over this country any further use of tobacco products as loss leaders and will immediately protect all tobacco retailers from predatory price-cutting and from any other trade practices that have been threatening to destroy them.

No sooner will the ink of the President's signature be dry than the man who toys with tobacco products as loss leaders will be branded a law-breaker. Similarly, he who goes in for vicious price-cutting will be a violator of the law—an offender, each of whose offenses may cost him $500 for every day that he continues this expensive form of rascality.

The Retail Tobacco Code authority can and will, from the very beginning, go after such malefactors in earnest. These are the days when strict enforcement of codes strikes a popular note in the National Capital; and it can be stated without fear of contradiction that the co-operation of the National Recovery Administration and the approval of the White House itself will encourage the Retail Tobacco Code authority in its determination to compel, if necessary, 100 per cent. compliance with the terms of its Code.

Not that anything of undue harshness will be undertaken. Every man will be given his day of explanation. If a charge of Code violation is made against Mr. A., he will be called before his local compliance board. If found guilty and if persistent in his violation, Mr. A. will find himself obliged to take a trip to Washington, perhaps—or something equally suggestive of his Code authority's power will be employed to impress upon him the advisability of playing fair with his competitors and with the law.

The details of the compliance procedure have not been entirely worked out, but at this date it is safe to say that they will be workable, that they will be employed without hesitancy, and that, if the Code is flouted and defied, the law-breaker will find himself at the end of a road that brings him face to face with a prosecuting attorney.

In a word, Retail Tobacco Dealers of America have made up their minds that, the moment the Code becomes effective, the wheels of its compliance machinery shall begin to turn.

The members of their Code Committee, having sacrificed their time, money and business to the job of securing a good Code under the NRA, are resolved that the industry shall receive every possible benefit from the operation of that document.

Its provisions put an end to predatory price-cutting, and they prohibit and prevent loss leaders in retail tobacco products. Obviously, if one violation of those provisions went unpunished or unrebuked, others would speedily follow until they would take on the appearance and the destructive force of an avalanche.

In other words, the same old vicious trade practices which the Code forbids would soon be coming down upon us through the unguarded door of noncompliance. That is one thing which the Code Committee is determined shall not happen.

At this writing, "The Code," the New Deal for tobacco retailing, is practically ready for General Johnson's desk; and the belief in Washington is that the General will have it at the White House ready for the Presidential signature when Mr. Roosevelt gets back. Unless something unforeseen occurs to prevent, this program will go through.

# Essential Provisions of Cigar Code

IT IS our latest information that the Cigar Manufacturers' Code, as approved by the National Recovery Administration and Agricultural Adjustment Administration, and now only awaiting the President's signature on his return from his fishing trip, contains the following essential provisions concerning wages, hours, code authority, sales by manufacturers, sales by jobbers to subjobbers, and sales by retailers:

**Wages (Hand Factories).**—Strippers, 22½ cents per hour; unskilled labor in the South, 25; cigarmakers (a) 2 for 5-cent factories, 27; (b) 2/5 to 5-cent, 30; (c) 2/5 to 5-cent (South), 28; (d) above 5 cents, 34; (e) above 5 cents (South), 32. Tolerance of 25 per cent. in slow workers, who may receive less than specified minimum wages, is allowed.

**Wages (Machine Factories).**—Strippers, 22½; unskilled labor in the South, 25; machine operators, 2/5 cents, 29; machine operators, above 2/5 cents, 34; same, in the South, 32; slow workers, 10 per cent. tolerance. Piece rates shall be established so as to yield minimum rates named in above schedules.

**Hours**—No employee may work longer than 40 hours per week or eight hours per day, except executives receiving $35 per week or more, outside salesmen, watchmen (not over 56 hours per week), chauffeurs and deliverymen (48 hours per week), firemen and engineers (44 hours per week), shipping department employees (44 hours per week, with payment of one and one-third time for overtime in rush seasons), and productive employees during two rush seasons each year. All the time worked on Sundays and legal holidays, except by watchmen, engineers and firemen, shall be paid at the rate of time and one-third.

**Code Authority**—The Cigar Manufacturers' Code Authority shall consist of nine to thirteen members, three of whom shall be hand and three machine manu-

*(Continued on page 13)*



# Argument for Tax Reduction

**By Junius Parker**

WE RESPECTFULLY and earnestly urge upon the committee the wisdom of a horizontal reduction of the taxes on cigarettes, tobacco of all kinds and snuff, of at least 40 per cent. That means (eliminating the fraction in the case of tobacco and snuff) a reduction from $3 per thousand to $1.80 per thousand on cigarettes, and from 18 cents per pound to 10 cents per pound on tobacco and snuff. We believe we know the industry, and we believe profoundly that the adoption of our suggestion would be to the great and lasting benefit certainly of the large and important group of producers of leaf tobacco and the large and important group of consumers of tobacco and its products. In that field we are confident. We realize, though, that the Congress has a broader outlook on the matter of government finances than we, and we realize that every form of taxation works its own hardship and has its own disadvantages, and yet that the government must have large revenue. It is in that field that we are diffident. We conceive it a duty, though, as we deem it a privilege, to utilize this opportunity to present frankly our views in the field in which we certainly ought to have special and expert information and opinion.

The present taxes on tobacco and tobacco products are not war taxes; they are higher than war taxes and may be more properly called Prohibition Amendment taxes. In November, 1917, there were put into effect the "war taxes." These "war taxes" were at the rate of $2.05 per thousand on cigarettes, an increase from $1.25 and 13 cents per pound on tobacco, an increase from 8 cents. In January, 1919, the Prohibition Amendment was passed. Congress was confronted with the necessity of making good more than $400,000,000 paid in Internal Revenue by intoxicating beverages, and it was then that the tax on cigarettes was raised from $2.05 per thousand to the present rate of $3 per thousand, and the tax on tobacco was raised from 13 cents per pound to the present rate of 18 cents per pound. Stated otherwise, two farm horses had been pulling a tax load for a long time, and in 1919 one was killed, or, as the final outcome showed, put out to pasture, so far as revenue was concerned. So an additional load was put on the horse that was still in harness—the tobacco industry. With the emphasis of understatement, I may say that the "tobacco horse" has carried the double burden fairly well. In the fiscal year that ended June 30, 1918, the tobacco industry paid in Internal Revenue taxes $156,000,000 and in the fiscal year that ended June 30, 1933, it paid $402,000,000. It seems to me there is an element of dramatic justice—now that this other horse, that has been dead, or out at pasture, is back in harness—that there should be some relief given to the horse that has carried so long so heavy a burden. Of the $1.20 reduction in cigarette tax which we suggest, 95 cents is Prohibition tax and only 25 cents is war tax, and we shall still be left with a 55 cents higher rate than in pre-war days. Of the 8 cents reduction that we suggest in tobacco tax, 5 cents is a Prohibition tax, and we shall still be left with a 2 cents per pound higher tax than in pre-war days.

So far as cigarettes are concerned, the immediate effect is predictable with absolute assurance. Leaving out of account as unsubstantial by comparison with the whole business, the cigarettes that weigh more than three pounds per thousand and the cigarettes made entirely of Turkish tobacco, all of which sell for higher prices, we have in this country a production and sale of well over 100,000,000,000 cigarettes which are packed in packages of twenty and which go to the consumer at 15 cents per package or less. These cigarettes may be divided into two classes of which the very much larger class in volume of sales is what I would call "standard cigarettes." I am not going to call them 15-cent cigarettes because they are not 15-cent cigarettes, and to call them 15-cent cigarettes induces entirely misleading comparisons of tax percentages, and other such misleading comparisons, that ought to be avoided. They are and have been sold at prices ranging anywhere from 11 cents, or even, at some times and at some retail stores, 10 cents to 15 cents per package. Camel, Chesterfield, Lucky Strike, and Old Gold are some of the well-known cigarettes of this type. With the reduction in tax suggested, they would all certainly go to a customary price of 10 cents per package. I am likewise a little embarrassed as to what to call the other substantial class of cigarettes. I do not call them 10-cent cigarettes because that is not a permanent name for them: If the tax reduction we suggest is made, they will sell at a lower price than 10 cents—I should, if I used a price name, hereafter have occasion to refer to them as 8-cent cigarettes—and it appears that if the tax reduction is not made they will sell at a higher price than 10 cents unless, indeed, a governmental subsidy in the shape of a tax differential is given to their manufacturers. From the report of a hearing at which manufacturers of these cigarettes were heard by the Ways and Means Committee some time in January, I find that a member of the committee naturally and spontaneously called them the "cheap cigarettes," and that there was some suggestion that that phrase might reflect on their quality. It seems to me it does not, and I have no intention to make that reflection. I cannot easily make and use a phrase to take the place of a simple, spontaneous word, so I shall call them the cheap cigarettes, referring only to their always selling at a lower price than the standard cigarettes. These cigarettes, with a tax rate of $1.80 per thousand, would go to the consumers in packages of twenty at 8 cents per single package, two for 15 cents.

In tobacco, whether smoking, twist or plug, and in snuff, the immediate result of the suggested reduction is not so definitely and certainly predictable in detail, though it may with equal confidence be predicted in general result: Smoking tobacco, including scrap, and snuff, are in statutory packages, but the packages in the trade are various, and they may under the law vary from each other to the very small extent of one-eighth of an ounce. In the case of plug and twist tobacco there are no statutory packages; the product is sold in boxes or caddies with the size of the consumer content fixed by indentation, or a spacing, so far as plug tobacco is concerned, and by the size of the individual twist so far as twist tobacco is concerned. In all of this tobacco business the competition is keen and unimpeded. Those engaged in it are numerous, they are large and small, they are prosperous and unprosperous, and they have not, even in the dim historic past, had

the slightest tie that binds. In this condition, and with the flexibility that exists under the revenue laws, and with the customs of the trade and the habits of consumers, the manufacturers would pass on to the dealers, and through the dealers to the consumers, the tax reduction, not many by a change in price, it seems to me, but generally by an increase in the unit content. This is so because far and away the majority of consumer sales of tobacco products other than cigarettes and cigars are now in 10-cent units or 5-cent units. Some of the manufacturers, though, would undoubtedly change their prices instead of, or as well as, their units of sale. It seems to me that, with these conditions, including the condition of competition, either by enlargements of units of consumer purchase or by direct lowering of prices, substantially all of the proposed reduction would be passed on by the manufacturers.

I realize that as applied to cigarettes, whether standard cigarettes or cheap cigarettes, I have made only oracular assertions, and that it behooves me to state, first, what justifies these assertions, and, second, if I am to be of any aid to you, what is to be the secondary effect on the different classes engaged or interested in the industry, and the government's revenue, of all these first results of the reduction in tax that we urge: First, as to the standard cigarettes, the price that now prevails is $6.10 per thousand less discounts of 10 per cent. and 2 per cent., which makes a net manufacturer's price of $5.38. All cigarettes are sold at a list price less 10 per cent. and 2 per cent., but I think, complicated as the matter is at its best, it will be easier for you to follow me if I disregard always hereafter the list price and talk in terms of net manufacturer's price. The present tax is $3 per thousand, so the manufacturer of the standard cigarettes is receiving a price ex tax of $2.38. If the tax is reduced as proposed to $1.80, and the present existing price ex tax of $2.38 is added to the proposed tax of $1.80, you have $4.18. Now $4.18 is approximately the price charged by the manufacturers of cheap cigarettes for their products—their actual price is $4.19 or 1 cent higher than my computation, and you will remember that this is the product which is sold by them to retail at 10 cents. It provides a margin of 16 per cent. for distribution. Suggestions have been made that a net manufacturer's price of $4.10 per thousand, if the cigarette is to be sold to the consumer at 10 cents for a package of 20, permitting a somewhat better margin for distributing merchants, would be wise. With that suggestion I am in hearty accord, and I hope that manufacturers of standard cigarettes are in accord with it, too. If the $4.18 price should be adopted, the manufacturers of standard cigarettes would have passed on all of the tax reduction; if the wiser price of $4.10 should be adopted, then they would have passed on the whole tax reduction plus 8 cents per thousand. If one manufacturer adopts this policy, wise as it seems to me, the others must follow.

That last sentence suggests to me a digression that I must make, and had just as well make now: Being warned by things that were said before the Ways and Means Committee in January, I shall anticipate the suggestion that even with the reduction of tax the Big Four will get together and profiteer. There is not, never has been, and never will be a "getting together" in the fixing of their prices by the four corporations, or any two of them, that are called collectively the Big Four. Identity of price between competitors, or the quick following of a change in price of one competitor by another, is even more frequently indicative of keen and apprehensive competition than it is of combination. The cheap cigarettes of Axton-Fisher and the cheap cigarettes of Brown & Williamson, the two manufacturers who made this suggestion, have precisely the same list prices and the same discounts, and so likewise their mentholated cigarettes are sold at precisely the same price, and yet I do not suggest that they got together and fixed their prices by agreement. In the same way, and only in the same way, is a price change in Camel quickly followed, for instance, by a price change in Lucky Strike. Again, if the four corporations called collectively the Big Four, or any two of them, have established their prices by agreement, they have violated the Sherman Law, and, besides that, they have violated the equity decree of 1911 under which they are operating. So if any one of them is agreeing with any competitor as to prices to be charged, it is, on both accounts—for violating the Sherman Law and for violating an equity decree—liable to a proceeding instituted by the Department of Justice. If anyone has information that warrant such an accusation, let him present it to the Department of Justice; in the absence of such information the insinuation ought not to be made to clutter up the consideration of a taxing statute.

As to cheap cigarettes: Naturally with standard cigarettes then selling at 10 cents, the manufacturers of cheap cigarettes would desire the benefit of a lower price in an effort to maintain and increase their sales. They would secure a retail price of 8 cents, two for 15 cents, without the necessity of passing on the whole tax reduction, but with precisely the same financial assistance to themselves that is embodied in the suggestion they made in January: Their price is now $4.19 which, with a tax of $3 leaves a price ex tax of $1.19; their suggestion was a $2.70 tax with a manufacturer's price of $4.10, which would mean a $1.40 price ex tax, or an addition to the net manufacturer's price to cover increasing costs of 21 cents. Add this $1.40 ex tax price that they suggest to the $1.80 tax that we suggest, and you have a price of $3.20 per thousand, giving to them the 21 cents per thousand of relief which they sought, and bringing a price of 6.4 cents per package of twenty, which certainly brings an 8-cent consumer price per package, two for 15 cents. It is on that account that I predict that the cheap cigarettes would be sold by the manufacturers with the tax reduction we suggest at approximately $3.20 per thousand.

From the consumption of cigarette paper in this country during the years before the depression, as, for instance, the fiscal year ended June 30, 1929, I assume that some 12,000,000,000 "roll-your-own" cigarettes were consumed then. It is my earnest belief that the phenomenal increase of "roll-your-own" cigarettes between 1929 and 1933 from 12,000,000,000 to 50,000,000,000, was not the result of any natural increase in "roll-your-own" smokers, but the result of a transfer from consumption, actual or potential, of ready-made cigarettes by economic pressure. If the reduction that we suggest should be adopted, so people could get cigarettes they like for 10 cents, with even normal prosperity, I think that there would be lifted out of present consumption of "roll-your-own" cigarettes into cigarette consumption, at least and quickly 38,000,000,000 cigarettes—the difference between the 12,000,000,000 consumed in 1929 and the 50,000,000,000 consumed in 1933.

*(Continued on Page 16)*



# Musings of a Cigar Store Indian

**By Chief "Young-Man-Smoke-Cigars"**

FURTHER entries from "The Passing of the Wooden Indian" by John L. Morrison in the October, 1928, issue of *Scribner's:* "The trail of wooden Poor Lo next leads to the studio of Julius Theodore Melchers, of Detroit. Melchers has gone from this life, but his spirit still moves through the impetus he gave art, in Detroit particularly and the West generally. Melchers was born in Doest, Westphalia. His innate gift was guided and moulded in the best traditions in the Beaux Arts, from which famous institution he graduated, to fare forth to Detroit. His pupils included Gari Melchers, famous in our day, Rolshoven, and others of note.

"When the demand for the nobler forms ran into the doldrums, it became necessary to drag Art to the marketplace, quite strip her of the conventions, and all but 'sell her down the river.' This is why Melchers made wooden Indians now and then. The Denmark lad, Herman Matzen, learned about Indians from him.

ANOTHER Detroit sculptor who made his contribution to this form of useful art was Theodore Crongeyer, designer and carver in the seventies at 55 Farmer Street. J. Leser, a veteran tobacconist of Brooklyn, never carved a cigar-store Indian, but has seen it done many times when as a boy he frequented the wooden-Indian shop of one Cobb, of Canal Street, New York. Cobb was a fast, expert worker and never used a mallet, driving the chisel with the palm of his hand. Fritz Decker, who died eighteen years ago, was the last of the Philadelphia wooden-Indian makers, and one of the best.

"Before 1870 there was activity in wooden-Indian making in the Milwaukee sector. A. F. Miller, Watertown, Wis., in the sixties bought a used 'Indian,' really a Turk, in Milwaukee, made by a group of Swiss or German wood-carvers lately migrated thither.

SO FAR as my research goes, Mr. Matzen is the only man living who made wooden Indians. Doubtless this will elicit claimants to damn this assertion, using the expletive in its scientific and literary sense. There may be others, but the most enthusiastic and painstaking search for knowledge anent wooden-Indian sculptors among the great of the tobacco world—distributors, editors, veteran dealers, and aged cigar-makers—failed to disclose the slightest clew leading to the discovery of another man now in the flesh who chiselled Indians out of 'enduring white pine.'

"A visit to Matzen's Cleveland studio gives no hint of his one-time experience. The bronze of the pensive 'Lincoln,' the symbolic 'Cain and Abel,' stately 'Moses', and his great 'War and Peace' group at Indianapolis, his training in Europe's best art schools, and thirty years a teacher of sculpture, with the noted in art circles in Europe and America his friends and confreres—these facts seem to cry out against the possibility.

THERE were some importations of cigar-store figures, perhaps not many. The Maryland Historical Society Museum at Baltimore contains a contribution to wooden-Indian sculpture by that country of sculptors, Italy. This figure, which stood in front of John Foble's cigar store, Cambridge, Md., from 1830 to 1926, has a face benign and strongly Latin, and habiliments such as a noble Roman would wear at a martyr-eating-lion matinee. His crown of feathers, or tobacco leaves, the coil of tobacco at his feet, and the welcome-stranger cigar-offering save the day for the best traditions.

"La Belle France's idea of an Indian maid stood exemplified in wood at the foot of South Street, Philadelphia. James LeNoir, French and twenty-two, purchased an ancient tea warehouse and became possessed of the half-pound key which operated the ten-pound lock; and the same year opened a tobacco shop, placing in front thereof a Pocahontas he had imported from France, her ocean journey taking three months' time. She smoked a pipe and there she stood 'for to see and for to be wondered at' for eighty-five years. Her physiogonomy was of the Champs Elysèes rather than the trackless forests about Lake Huron.

AMONG Indians still on duty in America the longest continuous outdoor service is that of the red man at the Maltzberger tobacco shop, Reading, Pa. Charles R. Maltzberger bought him in New York, when he opened his shop in 1847, and this Indian has stood there ever since, except Sundays and that day he was once kidnapped and carried in the Order of Red Men parade.

ENVISAGING the world, as the inspirational speakers say, I nominate as dean of tobacco-shop figures the Highlander, 'Phineas the Second,' of A. Everard & Co., Ltd., 10 High Holborn, London, W. C. 1. Phineas is in an excellent state of preservation, despite his one hundred and sixty years of fluctuating fortune, which includes twenty years' solitary confinement in a dusty attic, relieved by adventurous excursions with boisterous medical students to football fields and to bait the rival team's supporters by unacademic combat. Unmarred by modern paint, he glories in the rich mellow coloring remin-

iscent of an old-master oil painting. His stern but classic features reflect the skill of the unknown carver who shaped the mass of oak into a lifelike semblance of a snuff-taking Scotchman. Despite the repeated importunities and offers of antique hunters and buyers from museums Phineas remains with Everards, as Mr. Harold B. Thorpe, secretary, says 'to live out Milton's adage—he also serves who only stands and waits.' For one hundred and sixteen years Miller & Co.'s Highlander has stood in their doorway, 37 London Street, Norwich, England. Like his London brother, he was carved from oak by an unknown sculptor. There have been many unsuccessful offers for this effigy, including one from the late King Edward, when Prince of Wales."

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### TO CONTINUE CIGAR-LEAF REDUCTION

NORMAL notice of exercise of the option under the 1933 cigar-leaf tobacco adjustment contracts to continue the acreage reduction for these types of tobacco during the 1934 crop year has been mailed to approximately 18,000 contracting producers in the Miami Valley, Wisconsin-Minnesota, Pennsylvania-New York, and New England districts by Secretary of Agriculture Henry A. Wallace.

In the notice sent to growers it was pointed out that a supplemental payment, varying in amount according to producing district, is now offered to those producers who participated in the 1933 program, and who now sign a rider, or revision, to their contracts provided they perform their obligations under the contract and show that their tenants received a proper share of 1933 payments. The rider also provides that growers may elect to keep either one-third, one-half, or their entire base acreage out of production. Two additional choices in determination of base acreage are also offered.

Growers who are now under contract, and do not sign the new rider to the 1933 contract are required to maintain the 50 per cent. reduction made by them last season, for which they will receive adjustment payments at the same rates as those of the past season.

At the same time the cigar-leaf growers who did not take part in the 1933 adjustment program are given an opportunity to sign contracts to which the revisions contained in the rider must be attached. These contracts cover the 1934 and 1935 seasons. These new participants cannot qualify for the supplemental payment but will receive the other payments.

Two payments, in addition to the supplemental payment, will be made to growers who participate in the 1934 program. The first, to be disbursed before October 1st, after proof of compliance has been checked, will be at the same rate as first payments for 1933. The rate of the second payment, based on the value of the 1934 crop, will vary according to the option chosen by producers as to amount of reduction.

Producers desiring to take advantage of the new options offered in the rider, are asked to file the executed rider, or contract and rider if they have not previously been under contract, with the district tobacco agent before May 1st. County agents and local committeemen have contracts available for producers who have not yet signed.

To date, growers who operated under adjustment contracts during the 1933 season have received all but $400,000 of the approximate $2,000,000 to be disbursed in payments provided in the contracts. Less than 4000 growers have yet to receive their final 1933 payments, which are based on the market value of the 1933 crop. Those farmers who have not sold their tobacco will receive payments on the basis of an appraisal of the value of their crop, provided application for appraisal is made prior to May 1st.

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### PRAISE FOR FRANK TRUFAX

AS A CLIMAX to his interesting article, "Sales Letters vs. Pep Talks," in the April 5th issue of *Printers' Ink*, Robert W. Palmer has this to say about the famous "Frank Trufax" letters sent out by A. Jos. Newman, vice-president and general sales manager of Bayuk Cigars, Inc. "They are a sort of institution, for they have been going out for years.

" 'We honestly believe,' says Mr. Newman, 'our salesmen (and our jobbers' salesmen, to whom they go) find them just as helpful today as ever—we get razzed enough if we do not send them out regularly.'

"The Bayuk letters are inspirational in character—more so than most companies these days would care to use. But they have been going out for so long and Frank Trufax has been giving such downright good advice all these years that they are undoubtedly on the right track."

Mr. Palmer reprints an example of a Trufax letter.

"Mr. Newman," he continues, "sums up the case for sales letters and bulletins very well:

" 'I do not think any kind of letter hits home with the salesman who cannot make a living out of his job. I can't ask a man to run a long race on an empty stomach—neither can a letter be written to a salesman that will inspire him to make money out of his job if there is just no money in the job. . . . The letter must impart some knowledge or awaken a desire to obtain some knowledge by the salesman. . . . We continue to use sales letters and we believe they are as beneficial today (if not more so) as during any previous period.' "

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### "COOLING SYSTEM" PIPE

The Buttner pipe with "cooling system" has recently been introduced to the trade. The outer bowl of this pipe is made of Bakelite molded. It is fitted with an absorbent ceramic filter, which surrounds the inner bowl, sucks in all the heat, moisture and irritating toxins. The filter can be burnt off when it has become discolored, by placing it on red-hot embers. It will then be snow white and ready for use again. The pipe is of English manufacture, and is being sold in this country by the Buttner Pipe Corporation of America, of New York City.

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### NATL. SALESMEN'S ASS'N

The executive committee of the National Board of Tobacco Salesmen's Associations will hold its regular quarterly meeting at the office of President Abe Brown, 408 Market Street, Newark, New Jersey, Saturday, April 21, at 3 P. M. Delegates from all branches are urged to be present.



HEAR THE CAMEL CARAVAN WITH CONNIE BOSWELL

STOOPNAGLE AND BUDD

Casa Loma Band Delights Fans

Have you heard the hit show of the air—The Camel Caravan? What a show! What a cast!

COLONEL STOOPNAGLE and BUDD—who have panicked radio fans from coast to coast bring still greater "things and stuff" to listeners on The Camel Caravan.

CONNIE BOSWELL'S vibrant...vivid...appealing contralto voice will thrill you...with the beautiful songs of the past...and the pleasing, lilting melodies of the current "hit" tunes.

CASA LOMA ORCHESTRA—recently voted by fans throughout the country as one of America's most popular bands, continues to charm listeners with its smooth, unusual rhythm and personality music.

So listen for the strains of the Casa Loma theme song, "Smoke Rings," light up a Camel, and hop aboard The Camel Caravan for 30 minutes of unalloyed enjoyment!

ABOVE YOU SEE an exclusive portrait of Colonel Lemuel Q. Stoopnagle and Budd, relayed to this publication by thought wave!

GLAMOROUS CONNIE At the left is little Connie Boswell...whose lovely deep contralto voice has made millions of radio friends for her!

TUNE IN! Every Tuesday and Thursday at 10 P.M., E.S.T.—9 P.M., C.S.T.—8 P.M., M.S.T.—7 P.M., P.S.T. over WABC-Columbia Network.

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# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

AMENDMENT of the tax law to prevent evasion of the full cigarette tax by "long" cigarettes was approved by the Senate April 4th, when an amendment submitted by the finance committee was accepted providing for imposition of the tax by length where cigarettes are more than 6½ inches long.

Having been added by the Senate, it will be necessary for the House of Representatives to pass on the provision but no difficulty is anticipated in securing House approval.

Under the tax provision as written by the Senate, the levy on cigarettes weighing not more than three pounds per 1000 remains at $3 per 1000, and the tax on cigarettes weighing more than three pounds remains at $7.20 with the following proviso: "except that if more than 6½ inches in length they shall be taxable at the rate provided in the preceding paragraph ($3 per 1000), counting each 2¾ inches (or fraction thereof) of the length of each as one cigarette."

NEARING the end of its task of codifying the industries of the country, the National Recovery Administration is being reorganized with a view to its transformation into a code-enforcing organization.

Under a new set-up worked out by Administrator Hugh S. Johnson, the administration of codes will be divided among three divisions, of compliance, enforcement and code authority procedure. Simultaneously, the legal division will be enlarged in anticipation of the institution of numerous court cases to enforce observation of codes and prosecute violators.

The change in operations of the administration will be marked by the establishment of new policy boards for labor, trade practices and code authorities, the membership of which will include representatives of the labor, industrial and consumer advisory boards and the planning and research and legal divisions. These boards will pass on such problems as may arise under codes with a view to developing uniform policies for general application.

At the same time, labor and consumer advisers will be appointed for the Government members of all code authorities and all industries which do not now have such agencies will be required to create industrial relations committees or boards for the adjustment of labor complaints and disputes.

The labor and consumer advisers to the administration members of the code authorities will have no vote and will attend meetings only on invitation; they will, however, have free access to the minutes of all meetings and the right to appear before code authorities to make statements on specific subjects.

The proposed industrial relations bodies are designed to carry out the administration's plan for enforcement of compliance and settlement of disputes by industry itself. The administration member of the code authority will be a member of such board, without vote.

ELIMINATION of deception in the sale of "factory throw-outs" has been agreed to by twenty-four cigar manufacturers signing stipulations with the Federal Trade Commission, it was announced by the commission April 7th. The stipulations having been negotiated before the adoption of the commission's new policy of publicity in such cases, the names of the companies involved were not revealed.

It was explained by the commission that cheap-grade cigars manufactured regularly for the two-for-a-nickel trade were sold as "factory throw-outs," which implied they were high-grade cigars sold at low prices because of minor imperfections.

Companies making only one line of cigars, to be sold regularly at low prices, were found to be advertising them as throw-outs, so as to indicate erroneously that the price had been reduced. One factory was found to be manufacturing about 10,000 "throw-outs" a day.

FINAL decision as to whether the licensing provisions of the National Recovery Act are to be extended for another year will be made by President Roosevelt in the near future.

Although the licensing power has never been invoked, the President is represented as feeling that it is a powerful weapon which should be retained in the law. Unless Congress takes action to perpetuate them, however, the licensing provisions of the act will expire in June.

Recovery Administrator Hugh S. Johnson and his advisers favor letting the licensing provisions die rather than to open the recovery act for amendment, fearing that Congress would not be content to pass upon that one feature only but would insist upon broad changes in other sections of the law.

However, it was said at the recovery administration, General Johnson will make no recommendations

(*Continued on Page 12*)




# 2 about Cigarettes

**There are 6 types of home-grown tobaccos that are best for cigarettes**

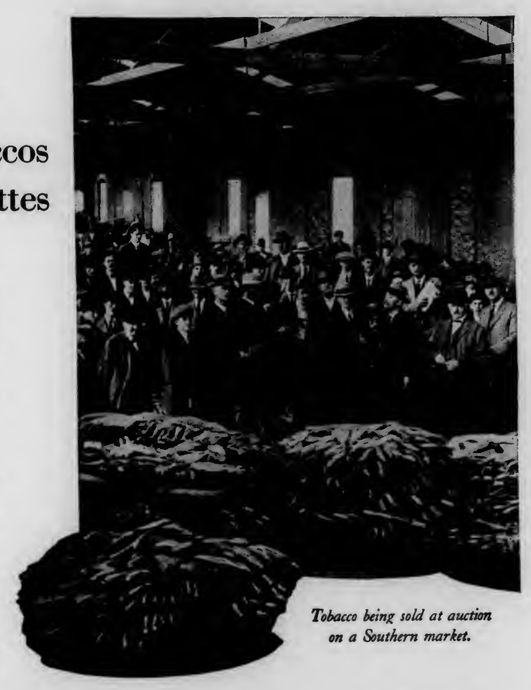
**BRIGHT TOBACCOS**
U. S. Types 11, 12, 13, 14—produced in Virginia, North and South Carolina, and parts of Georgia, Florida and Alabama.

**BURLEY TOBACCO**
U. S. Type 31—produced in Kentucky.

**MARYLAND TOBACCO**
U. S. Type 32—produced in Southern Maryland.

These are the kinds of home-grown tobaccos used for making Chesterfield Cigarettes.

Then Chesterfield adds aromatic Turkish tobacco to give just the right seasoning or spice.



*Tobacco being sold at auction on a Southern market.*

***Chesterfield ages these tobaccos for 30 months—2½ years—to make sure that they are milder and taste better.***

*the cigarette that's* **MILDER**
*the cigarette that*
**TASTES BETTER**

Chesterfield

© 1934, LIGGETT & MYERS TOBACCO CO.

## News from Congress

*(Continued from Page 10)*

one way or the other but will leave the decision entirely to the President.

POSSIBLE ruin of manufacturers who have increased their production under the protection of tariff duties or quarantine orders is seen by Senator Metcalf of Rhode Island in the pending bill giving the President full control of the tariff.

Attacking the measure on the floor of the Senate, Mr. Metcalf declared the bill to be a long step toward "a complete abdication of legislative powers to the Executive," pointing out that under it not only may the President raise and lower duties at will but also may remove completely all excise taxes, processing taxes and restrictions which have for their purpose the regulation of imports.

"Under this bill," he told the Senate, "the President of the United States can, by simple proclamation, increase the tariff by 50 per cent. or lower it by 50 per cent. He can, by a single stroke of his pen, eliminate excise taxes levied by the Congress of the United States. He can remove restrictions on the importation of diseased plants and animals; he can waive embargoes on agricultural plants which, for various reasons, might be barred from the United States.

"If ever a bill was introduced in Congress carrying such a drastic abdication of the powers of Congress, I should like to know of it. I have always believed that the tariff should be flexible. Conditions may arise where the raising or lowering of a duty might become advisable, but the exercise of such powers should take place only after a bipartisan fact-finding body has carefully studied the need for specific changes in tariff rates.

"This act," the Senator asserted, "places in the hands of the President the power to auction off to foreign countries any American industry which is in any manner dependent upon a tariff for its existence. He can say to any foreign country: 'Here is an industry which I would like to get rid of. What will you bid for it?' How can we consent to such dictatorship? Why, Soviet Russia could quite easily use our law books as textbooks on radical craftmanship."

### 11-INCH RULING REVOKED

SECRETARY of the Treasury Morgenthau has revoked a ruling of the Bureau of Internal Revenue permitting the Axton-Fisher Tobacco Co. to place on the market the Head Play cigarette, which measures eleven inches long and of which five cigarettes are contained in each package. The cigarettes may be cut up into twenty cigarettes. The company has been advised that it will be given an opportunity before the effective date for the revocation to dispose of materials for this type of cigarette.

When the Axton-Fisher Tobacco Co. decided in December to place this cigarette on the market, it first obtained the approval of the Internal Revenue Bureau. The Secretary of the Treasury has ruled in revoking this approval that packing cigarettes in this manner results in an evasion of the Revenue Act.

The eleven-inch cigarettes are manufactured to retail at 8 cents per package. Col. Wood F. Axton, president of the company, said that a survey had been made which showed that 67 per cent. of the purchasers of this cigarette were persons who formerly rolled their own, using tobacco on which a revenue of only 18 cents per pound was paid, whereas in the case of Head Play cigarettes the Government derived a revenue of $7.20 per thousand.

The ruling said that the long cigarettes, which are "capable of being divided into four parts containing in all twenty cigarettes of standard size should not have been placed in a class where the tax per package was only 3.6 cents, compared to the tax of 6 cents placed on standard packs of twenty."

### EQUALIZING PAYMENT REQUESTS

TO OBTAIN price-equalizing payments offered under the Agricultural Adjustment Administration's program for flue-cured tobacco, growers who have signed the adjustment contracts were required to file with County Extension agents their requests for the forms on which to render certified reports of their tobacco sales, before March 31st. They also had to file their applications for the equalization payments before that date.

The price-equalizing payments are 20 per cent. on that portion of the net sales value of the 1933 crop sold before September 25th, and 10 per cent. of the net sales value of such tobacco sold after September 25th and before the marked increase in price which resulted from the sign-up and flue-cured marketing agreement. The purpose of these payments is to compensate, insofar as possible, producers who sold their crop before improvement in prices.

Since December 10th, copies of the record of such sales, taken from warehouse records and showing the sales of each grower during the period in question, have been assembled in the states mentioned. To date, more than 50,000 producers have been supplied with these records.

### RELIEF FOR DISTRESED CO.'S

VOTING to make a favorable report on legislation already passed by the House of Representatives, the Senate judiciary committee last month brought a step nearer the amendment of the bankruptcy law to provide relief for distressed corporations. Under the measure, corporations unable to meet their debts are to be granted the same privileges as have already been extended to individual business men, farmers and railroads by legislation enacted last session.

Based on the theory that placing corporations in bankruptcy proceedings usually resulted in closing down the business, with loss to creditors and stockholders and increased unemployment, the bill provides that embarrassed corporations may file petitions with bankruptcy courts and reorganize, scaling down the interests of creditors and stockholders to a point where the company has a chance to pull through.

As a protection for stockholders and creditors, however, it is provided that no plan of reorganization shall be confirmed by the bankruptcy court unless two-thirds of each class of creditors and a majority of the stockholders give their approval in writing.

**Better conditions are reflecting themselves in a bigger demand for quality cigars. All through the depression the makers of El Producto have fought the battle for quality merchandise. Display quality cigars — talk quality cigars — offer quality cigars — and count on El Producto to back your judgment on quality every time.**

G. H. P. CIGAR CO., INC., PHILA., PA.

**EL PRODUCTO**

***for real enjoyment*** **10** ***cents*** AND UP

## Essential Provisions of Cigar Code

*(Continued from Page 4)*

facturers, members of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, two additional manufacturers, one hand and one machine, who are non-members of the Association, one member appointed by the Labor Advisory Board of the NRA and four additional members who may be appointed by the Secretary of Agriculture and the Tobacco Administrator.

**Sales by Manufacturers**—A manufacturer may establish the retail price of his cigars, which must be filed with the Code authority, with his credit terms and discounts. He may allow the following discounts: To retailers other than chain stores, 20 to 28 per cent. To accredited jobbers, an additional discount of 8 to 14 per cent. To service jobbers, a discount equal to that given retailers plus 65 per cent. of the discount to accredited jobbers. Where the manufacturer has no accredited jobber he may allow a service jobber the retail discount plus 10 per cent. Drop shipments of not less than 2000 A, B, C, and D or 1000 Class E cigars are permissible, where the accredited jobber agrees, with a 5 per cent. discount to the drop shipment buyer above the retailer discount to be allowed by the jobber or manufacturer, whichever shall make the billing. A service credit may be allowed the accredited jobber on such drop shipments, provided the total discounts do not exceed the discount provided for accredited jobbers, plus the retailer discount. Chain stores may receive the same discounts as accredited jobbers. On all transactions described above, the manufacturer may allow an additional discount of 2 per cent. for cash. Each manufacturer must maintain uniform discounts as regards the various classes of buyers enumerated above, but the service credits on drop shipments may vary in each individual case.

**Sales by Jobbers to Sub-Jobbers**—Jobbers may allow sub-jobbers 50 per cent. of the established discount plus 2 per cent. for cash. Each jobber and sub-jobber must allow the retailer his full discount, ranging from 20 to 28 per cent, plus a 2 per cent. cash discount. A jobber selling a chain store organization may allow the same discount as the manufacturer does.

**Sales by Retailers**—The retailer may not allow any rebate or discount of any sort except that a 5 per cent. discount may be allowed upon sales in multiples of ten, of 8 per cent. upon sales of boxes of 25 or more. No discount may be allowed upon cigars selling at less than 5 cents. Where the manufacturer specifies a discount of less than 8 per cent. upon box sales, his specification shall govern. Where a State imposes a tax on cigars, the full amount of the tax shall be added to the minimum prices at which cigars may be sold.

Free deals, false advertising, deceptive branding are forbidden. Jobbers must be protected in their agreed territories. Damaged and discontinued lines of merchandise may be sold at less than the prescribed prices, but must be advertised and marked as such, with a strip label placed across the inside label stating the reason.

# PHILADELPHIA.

### BAYUK BOWLERS RUNNERS-UP

A GOOD CIGAR is not the only product of the world's largest cigar factory, as was evidenced in Peoria, Ill., on April 8th, when the Bayuk Phillies bowling team finished second among the Quaker City teams competing in the thirty-fourth annual American Bowling Congress championships. They scored 2678 points in their three games. The members of the team are W. Cameron, E. M. Hirst, S. Munzer, F. Bell and J. Appel.

George C. Runyan Tobacco Co., Sturgis, Mich., assisted by C. M. Brower, Bayuk salesman, is making nice headway in a drive for greater sales and distribution of Bayuk brands in their territory.

Morris King Cigar Co., Bay City, Mich., is promoting an effective campaign on Phillies and other Bayuk products in that territory, along with George B. Hibbard, salesman for Bayuk.

Peter C. Beck Co., Racine, Wis., has joined the Bayuk distributing family and is already doing splendid work on the brands in that sector.

Kielson Cigar Co. has been entrusted with the distribution and sale of Bayuk Phillies in the Cincinnati area.

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Met Mr. Snyder, El Producto representative, down town early in the week selling El Productos (and I mean selling). He reports a very apparent increase in demand for this popular brand, at ten cents and up, which is an unmistakable sign of better times.

---

We are glad to welcome I. B. White, manager of the cigar department of John Wagner & Sons, back at headquarters this week after an absence of two weeks. Mr. White was home nursing a serious infection by the good old Streptococcic germ, but his strong constitution easily won the battle.

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Grabosky Bros., Inc., are now comfortably installed in their new and larger quarters at 11-13 North Second Street, and production on the Royalist brand is again able to keep up with the demand for a time. Indications, however, point to the fact that these larger quarters will soon be taxed to their capacity.

## Trade Notes

No question about it, the Cigar Business Is Better.

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N. E. Oliver, vice-president of Philip Morris & Co., Ltd., was in town last week and reports a tremendous increase on his brand during the past few months.

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Ashton & Lones have established a retail and manufacturing stand at 937 Huntingdon Street, featuring the Trotter In, and their brand is being well received.

---

Jacoby & Agliano are among the newcomers in the field at 26 North Sixth Street, having moved recently from 738 Arch Street.

---

George Stocking, of Arango y Arango, was a visitor last week, and reports Don Sebastian making splendid advances along with the business recovery movement which is now so generally in evidence.

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Harvey Hetrick has moved his retail and manufacturing stand from Market Street below Second to 13 North Seventh Street, where he is trading under the H & G Cigar Co., and doing a nice business.

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A. Bazarte, who is located at Franklin and Poplar Streets, is doing a fine business on his brands, and has been forced to work night and day recently to supply the demand for his brand.

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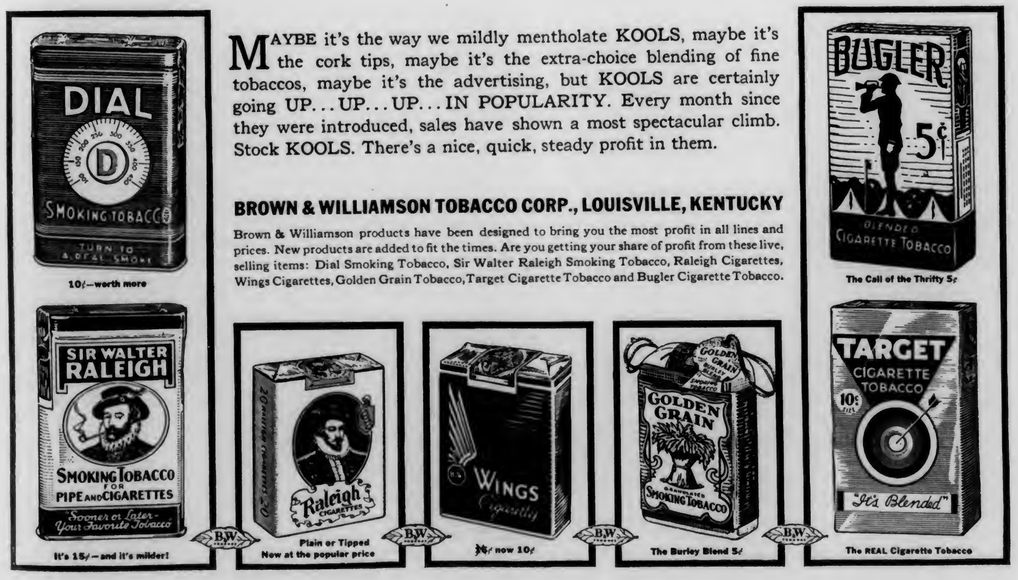
Among the new firms registered last week was the O. K. Cigar Store, at 4262 Frankford Avenue, operated by Adam Dogas, and Fotios Dogan, of the same address.

---

John Flanigan, of the M. J. Dalton stand at 617 Chestnut Street, has been featuring an attractive and interesting window display on Bock Panatelas, which has been keeping this brand moving across his counter in lively fashion. This display is being featured also in all Yahn & McDonnell stands throughout the city this week with gratifying results.




MAYBE it's the way we mildly mentholate KOOLS, maybe it's the cork tips, maybe it's the extra-choice blending of fine tobaccos, maybe it's the advertising, but KOOLS are certainly going UP... UP... UP... IN POPULARITY. Every month since they were introduced, sales have shown a most spectacular climb. Stock KOOLS. There's a nice, quick, steady profit in them.

**BROWN & WILLIAMSON TOBACCO CORP., LOUISVILLE, KENTUCKY**

Brown & Williamson products have been designed to bring you the most profit in all lines and prices. New products are added to fit the times. Are you getting your share of profit from these live, selling items: Dial Smoking Tobacco, Sir Walter Raleigh Smoking Tobacco, Raleigh Cigarettes, Wings Cigarettes, Golden Grain Tobacco, Target Cigarette Tobacco and Bugler Cigarette Tobacco.

## ARGUMENT FOR TAX REDUCTION

*(Continued from Page 6)*

How many new consumers of cigarettes would be created by this popular price is beyond, or at least incapable of, estimation. Economic pressure drives some to roll-your-own; it drives others to the expedient of curtailment or elimination. The cigarette smokers who are added anew, and not by conversion from roll-your-own, and the increased consumption by the cigarette smokers who now stint in their smoking for economy's sake, constitute an additional market for farmers' tobacco, and of the high grades that are used in cigarettes. One who realizes the pulling power of the 10-cent price as anyone in the trade realizes it, will believe that with that 10-cent price for standard cigarettes there would be a quick increase of more than 12,000,000,000 cigarettes consumed by new smokers or by increased consumption by present smokers. This means—adding to the 38,000,000,000 the 12,000,000,000—50,000,000,000 more cigarettes, partly in reduction of roll-your-own cigarette consumption and partly in new consumption. Cigarettes are principally of domestic tobacco. With a duty of 35 cents per pound on Turkish tobacco, to say nothing of the cost of the tobacco itself, the manufacturers of standard cigarettes put into their cigarettes only such a proportion of Turkish tobacco as will bring to their cigarettes the greatest possible popularity, and this they ought to continue to put in for the benefit of the domestic leaf growers themselves. The maximum weight of cigarettes in order to carry a $3 per thousand tax, is three pounds per thousand, and competition brings an approximation to that maximum. The tobacco as bought from the farmer loses weight by stemming and by drying, so, according to the best estimate I can get, there are approximately, or very nearly, three pounds, farmer's weight, domestic tobacco in every thousand cigarettes, or, on that basis, for 50,000,000,000 cigarettes 150,000,000 pounds of tobacco, partly, it is true, a demand for higher grades of tobacco taken from the demand for lower grades, but partly a new demand.

I want to deal with this committee not only truthfully in my statement of facts, but frankly in my expression of opinion, for whatever that opinion may be worth. An addition to the domestic consumption of domestic grown tobacco of more than 150,000,000 pounds, would be, in my judgment, a great boon to the tobacco farmers. But, even so, farmers are likely to be disappointed in the ultimate outcome unless two things, differing in relative importance, occur. One is the maintenance and extension of foreign markets for our leaf, because in many types export demands are important—full 40 per cent. of our total leaf production is normally exported. The other, and imperatively necessary, is the establishment, by co-operation among farmers, spontaneously or by governmental persuasion and aid, of something approaching a correspondence and co-ordination between the supply of leaf tobacco and the demand for it, domestic and for export. The working out of such correspondence and co-ordination between supply and demand has its heart-breaking incidents at the best. When the farmer, whose life and family and barns and equipment are all pitched on a ten-acre production, is brought to cut his acreage to five, his adjustments are difficult. It is impossible to overemphasize the relief that would be given in reducing the number and the severity of these readjustments if Congress, by its revision of the tax structure, can add 150,000,000 pounds of leaf to the domestic demand.

I now speak of the Government and its revenues. There is no blinking the fact that on paper, and assuming no increase nor change in consumption of tobacco products as the result of such reduction, our suggestion of tax reduction on tobacco and cigarettes would involve a loss of revenue to the government, based on the 1933 figures, of $156,000,000. What would be the secondary effect? Roll-your-own cigarettes are loosely rolled and, as I have told you, consume less tobacco than is consumed in the ready-made cigarettes. A manufacturer of a tobacco used in roll-your-own cigarettes has advertised, and I have no doubt truthfully, that a pound of his tobacco will make over 600 cigarettes. I have been and am conservative, though, and again estimate that the roll-your-own cigarettes consume two pounds per thousand. It seems to me, as I have said, that the effect of this change of tax will be very quickly to convert 38,000,000,000 at present roll-your-own cigarettes into ready-made cigarettes. In the form of roll-your-own cigarettes there is a consumption of 76,000,000 pounds of tobacco in 38,000,000,000 cigarettes. This tobacco at 18 cents per pound pays a revenue of $13,680,000; but these 38,000,000,000 cigarettes on the basis of $1.80 per thousand, the tax we suggest, would bring a revenue of $68,400,000, or an increase of $54,720,000. Then let us add the 12,000,000,000 of new cigarette consumers not taken from roll-your-own, at $1.80 per thousand, and you have a further addition of $21,600,000, or a total of $76,320,000, which is well on the way to a restoration of governmental revenue to what it would have been if the reduction had not occurred. All of this is a quick effect, and it says nothing of any increased consumption of tobacco in forms other than cigarettes to make up the increase in revenue from the tobacco tax reduction, although that tobacco tax reduction was taken into account in arriving at the amount of immediate loss of revenue. Let me state my conviction concretely: A little more than two years ago I had the privilege of appearing before the Ways and Means Committee to oppose a suggested increase in the already too high taxes on tobacco and cigarettes. Not because of anything I said, but because of what others said, and, above all, because of the manifest unwisdom of such increase, no increase was made. If at that time I had had the courage and the vision to urge upon you the reduction of the rates that I now urge, and if the Congress had had the courage and vision to make that reduction, I believe the revenue return to the government, possible in the year 1934, and certainly in the year 1935, would be just as large as it will be under present tax rates, if these present rates continue. I come back, then, to the statement which I made earlier, that the loss of revenue involved in the adoption of the suggestion that we make would be temporary so as to make the reduction in fact, though not in name, an emergency measure.

There is another large class of our people whose interests I shall not discuss at substantial length. I am brief, not because I am not interested, but because the story is shortly told, and it is easy for such discussion to degenerate into the maudlin and the insincere. I mean the consumers. The time has passed, it seems to me, when a thing is to be deemed immoral only because it is a pleasure, and when physical advantage or disadvantage is by intelligent men, even physicians, thought to be measured only by chemical reaction or the number of calories consumed. If the smokers of cigarettes pay, as they would pay under our suggestion, on a package of twenty cigarettes, a 10-cent purchase, and as for most of them a day's supply, over 3½-cent tax, or, a year's consumption, a tax of over $11, I think they will be paying enough. If the consumers of tobacco and snuff pay, not quite so much on average consumption as the cigarette consumers, but the substantial amounts of tax they would pay under our suggestion, they will be paying enough. For the life of me I do not see the difference between a so-called luxury and a so-called necessity so far as consumer tax is concerned, if both of them enter into the living expenses of the ordinary man. It is perfectly certain that the levy of an excessive tax on a man's smoking or chewing either does add to his living expenses, or does induce him to curtail or abandon an indulgence that is pleasant and comforting, and is not of hurt to his spiritual or physical welfare.

There is one important phase of this situation that bears especially on the prices farmers are to get for their leaf tobacco, which may, perhaps, be discussed more clearly in connection with the contention that has been made for a differential in the tax on cigarettes based upon differences in their customary consumer price. While I shall speak frankly and earnestly in opposition to that differential, that discussion will bear also on just how the rate of tax reduction we suggest fits into a scheme of real farm relief. I have spoken of the appearance in January of representatives of just two of all the manufacturers of tobacco or its products. They suggested the wisdom of your making a differential in the tax rates levied on cigarettes so that cigarettes selling by the manufacturer at a net price of $4.10 or less and retailing at 10 cents or less should bear a tax of $2.70 per thousand; those with a net manufacturer's price of more than $4.10 but not more than $6 with a retail price of more than 10 cents and not more than 15 cents a tax of $3 per thousand, the present rate; and those cigarettes with a manufacturer's net selling price of over $6 and presumably a retail price of more than 15 cents, $3.30.

We think their suggestion is unsound from the point of view of the tobacco industry, and we think it is especially unsound from the point of view of the tobacco growers. We think that for the cigarette business of this country to be put out on a 10-cent consumer price, with any tax such as $3 or $2.70, or indeed with any tax higher than $1.80, is incompatible with a fair price for leaf tobacco. To our minds, the proposal to put this cheap cigarette into the king's chair—to make it the cigarette that fits into our currency as none other does—without complete and careful readjustment of the entire tax rate structure, carries more menace to the tobacco growers of this country than has ever before been seriously proposed to a legislative body.

*The foregoing is a transcript of a statement before a Sub-Committee of the House Ways and Means Committee by Junius Parker, who represented the following manufacturers of tobacco, snuff and cigarettes: American Snuff Company, The American Tobacco Company, Bendixen Tobacco Company, Benson & Hedges, The Bloch Bros. Tobacco Company, Byfield Snuff Company, Continental Tobacco Company, Crimson Coach Incorporated, De Nobili Cigar Company, David Forry Tobacco Company, George W. Helme Company, Larus & Brother Company, Liggett & Myers Tobacco Company, P. Lorillard Company, Philip Morris & Co., Ltd., Penn Tobacco Company, R. J. Reynolds Tobacco Company, Ryan-Hampton Tobacco Company, Scott Tobacco Company, Scotten-Dillon Company, Taylor Brothers Tobacco Company and United States Tobacco Company.*

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**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

**Make tobacco mellow and smooth in character and impart a most palatable flavor**

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

**Write for List of Flavors for Special Brands**

**BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS**

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

**PERKASIE:—46,308.** For cigars. April 6, 1934. H. E. Snyder Cigar Co., Perkasie, Pa.

**BLACK AND WHITE:—46,309.** For cigarettes. April 6, 1934. National Cigar Stands Co., New York, N. Y. (This certificate is issued upon presentation made to us that the trade name or trademark herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus has been in use by the registrant since April, 1917.)

### TRANSFERRED REGISTRATION

**SIXPENCE:—38,472** (United Registration Bureau). For cigars, cigarettes and tobacco. Registered December 12, 1913, by Julius Bien Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the original registrants, to Thompson & Co., Tampa, Fla., March 20, 1934.

Briggs Smoking Tobacco (P. Lorillard Co.) continues to forge ahead, and the local distributors (Yahn & McDonnell) have been forced to increase their standing order to keep a sufficient supply on hand to meet the demand.

J. Freed has established a retail and manufacturing stand at 148 North Thirteenth Street, under the name of the New Era Cigar Co., and featuring the New Era and El Jewel at ten cents and up, and the New Era at two for five cents.

James Heaney, sales representative of the American Tobacco Company, was in town last week introducing William Anderson to the trade. Mr. Anderson will be stationed in this territory promoting Antonio y Cleopatra and the Bock line through Yahn & McDonnell local distributors.

"What a welcome visitor THE TOBACCO WORLD must be to wholesalers and retailers!

"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

MAY 1, 1934

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VOLUME 54 No. 9

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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*Hanover, Pa.*
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After all nothing satisfies like a good cigar

# WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

THE TOBACCO WORLD

Vol. 54 MAY 1, 1934 No. 9

# Code of Fair Competition for the Cigar Manufacturing Industry

## As Presented for N R A Consideration and Approval

IT IS confidently hoped that the Code of Fair Competition for the Cigar Manufacturing Industry will have been approved before the next issue of THE TOBACCO WORLD is published. In the following pages is detailed the form in which the Code was finally agreed upon, to be presented to General Johnson for his consideration and appropriate action. Any changes which are introduced before approval will be noted in a later issue. We suggest that our readers preserve this issue, containing first publication of the Code as submitted.

### ARTICLE I.

**Purposes.**

To effectuate the policies of Title I of the National Industrial Recovery Act, this Code is established as a Code of Fair Competition for the Cigar Manufacturing Industry, and its provisions shall be the standards of fair competition for such industry, and shall be binding upon every member thereof.

### ARTICLE II.

**Definitions.**

As used in this Code the following words and phrases shall be defined as follows:

SECTION 1. The term "President" means the President of the United States of America.

SECTION 2. The term "Administrator" means the Administrator for Industrial Recovery.

SECTION 3. The term "Act" means the National Industrial Recovery Act.

SECTION 4. The term "Cigar Manufacturing Industry" means and includes the manufacturing into cigars of cured leaf tobacco, stemmed tobacco, scrap, and/or shredded filler for use in the manufacture for sale of cigars.

SECTION 5. The term "cigar" means and includes cigars, stogies, cheroots and little cigars.

SECTION 6. The term "member of the industry," "manufacturer" and "cigar manufacturer" means and includes without limitation any person engaged either as an employer or for his or its own account in the Cigar Manufacturing Industry.

SECTION 7. The term "employee" means and includes any and all persons engaged in the industry, however compensated, except a member of the industry.

SECTION 8. The term "employer" means and includes any person by whom any such employee is compensated or employed.

SECTION 9. The term "productive employee" means and includes any employee working in the factory and included in the factory payroll, and governed by the factory regulations.

SECTION 10. The term "unskilled labor" means and includes common labor not requiring previous training and excludes hand and machine cigar makers, packers, strippers, inspectors, binders and cellophane operators.

SECTION 11. The term "watchman" means and includes an employee who for not less than ninety (90) percent of his working hours is engaged in watching and guarding the premises of the establishment.

SECTION 12. The term "deliveryman" means and includes an employee whose principal function is the delivery of merchandise, and who does not sell.

SECTION 13. The term "outside salesman" means and includes any salesman who performs principally the selling function, and who may deliver.

SECTION 14. The term "South" means and includes the following states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia.

SECTION 15. The term "Accredited Cigar Jobber" means and includes any wholesale distributor of cigars who maintains a sales organization and has an exclusive selling arrangement for a brand or brands of cigars for which he assumes the responsibility of promotion, distribution and care in a definite territory assigned to him.

SECTION 16. The term "Cigar Service Jobber" means and includes any wholesale distributor of cigars other than an Accredited Cigar Jobber. (A jobber may be an accredited cigar jobber as to a certain brand or brands and a cigar service jobber as to others.)

SECTION 17. The term "Sub-jobber" means and includes any person performing the functions of a wholesale distributor of cigars, who purchases some or all of his cigars from jobbers or jobbing establishments of manufacturers instead of directly from manufacturers.

(A person may be a jobber as to certain cigars and a sub-jobber as to others.)

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

SECTION 18. The term "Retailer" means and includes any dealer in cigars who sells directly to the consumer and not for purposes of resale in any form.

SECTION 19. The term "Chain of Stores" means a group of retail stores having single ownership and maintaining one or more bona fide central distributing depots from which individual units are serviced, and also bona fide central buying, storing, supervising and accounting organizations.

SECTION 20. The term "person" means and includes all individuals, firms, partnerships, unincorporated associations, corporations and other forms of enterprise.

SECTION 21. The term "State" means any State, Territory and the District of Columbia.

SECTION 22. The term "subsidiary" means any person of or over whom a member of the industry has either directly or indirectly actual or legal control, whether by stock ownership or by any other manner.

SECTION 23. The term "affiliate" means any person who has either directly or indirectly actual or legal interest in the business of a member of the industry, whether through stock ownership or by any other manner.

SECTION 24. The term "Association" means the Associated Cigar Manufacturers and Leaf Tobacco Dealers.

SECTION 25. The term "Council" means National Tobacco Council, Inc., a New York Corporation, or such other agency as shall be designated for the purposes of Schedule I, hereto attached, by the Code Authority hereby established and by the Code Authorities for the Wholesale Tobacco Trade and the Retail Tobacco Trade.

## ARTICLE III.

### Hours.

SECTION 1. No clerical, accounting or other office employees shall be permitted to work in excess of forty (40) hours in any one week or eight (8) hours in any one day and no other employee shall be permitted to work more than forty (40) hours in any one week, except as follows:

(a) Executive, supervisory, technical and administrative employees, provided that they receive regularly thirty-five dollars ($35.00) per week or more.

(b) Outside salesmen.

(c) Watchmen, provided that no watchman shall be permitted to work in excess of fifty-six (56) hours per week.

(d) Chauffeurs and deliverymen, provided that no such employee shall be permitted to work in excess of forty-eight (48) hours per week.

(e) Firemen and engineers, provided that no such employees shall be permitted to work in excess of forty-four (44) hours per week.

(f) Shipping department employees, provided that no such employee shall be permitted to work in excess of forty-four (44) hours in any one week or eight (8) hours in any one day unless paid at the rate of time and one-third for all time worked in excess thereof.

(g) Productive employees during two peak seasons per year, provided that the number of weeks and the number of hours per week in each season shall be determined by the Code Authority, subject, to the approval of the Administrator.

SECTION 2. No employee except watchmen shall be permitted to work more than six (6) days in any seven (7) day period.

SECTION 3. The maximum hours fixed above shall not apply to employees on emergency repair work, provided that any such employee working in excess of eight (8) hours per day or forty-four (44) hours per week shall be compensated by at least time and one-third for all such excess time.

SECTION 4. All time worked on Sundays and legal holidays, except by watchmen, engineers and firemen, shall be compensated at the rate of time and one-third.

## ARTICLE IV.

### Wages.

SECTION 1. No clerical, accounting or other office employee shall be paid at a rate of less than fifteen ($15.00) per week of forty (40) hours.

SECTION 2. No watchman shall be paid at a rate of less than fifteen dollars ($15.00) per week of fifty-six (56) hours.

SECTION 3. No stripper shall be paid at a rate of less than twenty-five cents (25¢) per hour, provided, that strippers that are classed are slow workers up to twenty-five per cent. (25%) of the total number of such workers, need not receive the minimum hourly rate herein specified, if (1) they are paid the same piece work rate as paid other employees of the same class and (2) they are paid at a rate of not less than twenty-two and one-half cents (22½¢) per hour.

SECTION 4. Unskilled labor in the South shall be paid at a rate of not less than twenty-five cents (25¢) per hour.

SECTION 5. No productive employee engaged in the production of stogies or hand made cigars to retail at not more than two for five cents shall be paid less than twenty-seven cents (27¢) per hour, and no machine cigar operator engaged in the production of cigars made to retail at not more than two for five cents shall be paid less than twenty-nine cents (29¢) per hour.

SECTION 6. No cigar maker in the Hand Made Industry, except as provided in paragraph 5, shall be paid at a rate of less than thirty cents (30¢) per hour; excepting in the South, in which no cigar maker in the Hand Made Industry shall be paid less than twenty-eight cents (28¢) per hour; provided, however, that cigar makers engaged in the production of cigars other than class A and B cigars shall be paid at a rate of not less than four (4¢) per hour in addition to the rate established above.

SECTION 7. No machine operator except as provided in paragraph 5 shall be paid at a rate of less than thirty-four cents (34¢) per hour excepting in the South, in which no machine cigar maker shall be paid less than thirty-two cents (32¢) per hour.

SECTION 8. No employee other than those for whom specific provision is made in this Article shall be paid at a rate of less than twenty-eight cents (28¢) per hour.

SECTION 9. Cigar makers in the Hand Cigar Manufacturing and Stogie Manufacturing Industry who are classed as slow workers, up to 25% of the total number of such workers, and machine cigar operators, up to 10% of the total number of such workers, need not receive the minimum hourly rate herein specified, provided they shall be paid the same piece rate as paid other employees of the same class.

(*Continued on Page 8*)



# Cigars Increased 64 Million in March

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for March, 1934, are subject to revision until published in the annual report):

| *Products* | —*March*— | |
|---|---|---|
| Cigars (large): | *1934* | *1933* |
| Class A .....No. | 306,658,785 | 249,231,230 |
| Class B .....No. | 4,488,203 | 1,924,673 |
| Class C .....No. | 39,655,908 | 34,656,138 |
| Class D .....No. | 3,082,147 | 3,872,130 |
| Class E .....No. | 279,864 | 426,901 |
| Total..... | 354,164,907 | 290,111,072 |
| Cigars (small).....No. | 20,458,013 | 9,446,307 |
| Cigarettes (large).....No. | 35,397,000 | 160,847 |
| Cigarettes (small).....No. | 9,333,113,760 | 7,974,030,063 |
| Snuff, manufactured...lbs. | 3,825,940 | 2,518,475 |
| Tobacco, manufact'd...lbs. | 27,652,361 | 24,938,566 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*March*— | |
|---|---|---|
| Cigars (large): | *1934* | *1933* |
| Class A .....No. | 6,271,900 | 4,776,900 |
| Class B .....No. | 6,500 | 415,100 |
| Class C .....No. | 61,000 | 5,200 |
| Total..... | 6,339,400 | 5,197,200 |
| Cigars (small).....No. | 300,000 | 550,000 |
| Cigarettes (large).....No. | 110,000 | 30,000 |
| Cigarettes (small).....No. | 513,800 | 96,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*March*— | |
|---|---|---|
| Cigars (large): | *1934* | *1933* |
| Class A .....No. | 20,201,785 | 10,521,750 |
| Class B .....No. | 62,227 | 3,753 |
| Class C .....No. | 23,400 | 6,900 |
| Class E .....No. | 300 | 50 |
| Total..... | 20,287,712 | 10,532,453 |
| Cigarettes (small).....No. | 285,500 | 38,900 |
| Tobacco, manufact'd...lbs. | 5 | 7 |

### Comparative Statement of Internal Revenue Collections for the Month of March

| *Sources of Revenue* | *1934* | *1933* |
|---|---|---|
| Cigars ..... | $918,197.80 | $752,635.62 |
| Cigarettes ..... | 28,255,356.96 | 23,923,646.54 |
| Snuff ..... | 688,778.59 | 453,325.48 |
| Tobacco, chewing and smoking ..... | 4,977,838.73 | 4,489,025.41 |
| Cigarette papers and tubes ..... | 84,605.82 | 70,804.65 |
| Miscellaneous, relating to tobacco ..... | 258.62 | 110.00 |

### Processing Tax Returns

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public, No. 10, Seventy-third Congress), approved May 12, 1933.

| *Commodity* | *Month of March, 1934* | *Total from July 1, 1933 (Fiscal Year 1934)* |
|---|---|---|
| Tobacco (tax effective October 1, 1933): | | |
| Processing tax ... | $2,113,479.02 | $9,712,377.21 |
| Import compensating taxes ..... | 18,351.87 | 110,526.72 |
| Floor tax, other than retail dealers ..... | 2,300.88 | 1,801,462.68 |
| Floor tax, retail dealers ..... | 2,101.52 | 239,915.55 |
| Total, tobacco. | $2,136,233.29 | $11,864,282.16 |

### March Withdrawals, 1920 to 1932

| | | | |
|---|---|---|---|
| 1920 | 753,239,958 | 1926 | 564,224,856 |
| 1921 | 561,343,699 | 1927 | 528,697,564 |
| 1922 | 529,162,381 | 1928 | 497,904,282 |
| 1923 | 547,514,691 | 1929 | 491,304,798 |
| 1924 | 515,895,112 | 1930 | 454,765,717 |
| 1925 | 504,303,979 | 1931 | 440,472,410 |
| | | 1932 | 355,382,130 |

## G. H. P. SALES MEETING

The G. H. P. sales organizations of Philadelphia, New York and Newark met at the headquarters Saturday, April 21st, and were regaled with talks on the current advertising campaign and optimistic predictions on the immediate future of the cigar business. Addresses were made by Frank P. Will, executive vice-president; H. H. Kynett, advertising counsel; and D. A. Jenks, assistant sales manager. Among the sales executives present were Jack Cohen and William King, sales manager and assistant sales manager, from New York; Frank Lynch, sales manager from Newark; Moe Gorden and A. G. Will, sales manager and assistant sales manager of the Philadelphia branch.

## BAYUK BUSINESS BITS

Harry S. Rice, of N. Rice Cigar Co., Pittsburgh, accompanied by Mrs. Rice, was a week-end visitor at Bayuk's . . . H. D. Soyster, Bayuk territorial manager for Western Pennsylvania, visited headquarters to arrange additional shipments of Phillies in his district . . . E. F. Requard, associated with the Neudecker Tobacco Co., Baltimore, stopped off at Bayuk's and reported a very strong demand for Phillies in his sector . . . Capital Tobacco Co., Hartford, Conn., is making marked headway in distribution volume on Bayuk products . . . J. P. Given, Buffalo territorial manager, calling at headquarters, was very enthusiastic over the intensive demand for Phillies in his bailiwick.

## Under Billy Penn's Hat

William Freeman, of the Medal of Honor Cigar Co., was a visitor here last week.

Eugene Popper, of Popper & Son, New York manufacturers, was in town last week calling on the trade.

Joe Banker and Barton Lemlein were visitors in Philadelphia last week, accompanied by their wives, en route to points in the South.

Grabosky Bros., Inc., north Second Street, are forging ahead with their Royalist brand, and getting their share of the increase in Class C consumption.

The Don Sebastian brand, distributed here by John Wagner & Sons, is showing a vigorous improvement in demand.

Steve E. Hertz, of D. Emil Klein Co., was in town last week in the interest of Haddon Hall. This brand enjoys a good demand here.

John Wagner & Sons, Dock Street, distributors, report they have taken on the Carl Upmann cigar for distribution in Philadelphia territory.

Sam Adler, of Villazon & Co., dropped in on Philadelphia friends last week and reported a fine increase on his brand here as well as in other parts of the country.

As You Like It cigars are gaining in popularity as is shown by the increased number of orders being received, and a particularly gratifying fact is the increase in orders for class C merchandise.

Abe Caro, Optimo representative, was in town last week, wearing that smile of satisfaction, which he explained was caused by the very apparent upturn in business.

Ben Lumley, Garcia y Vega representative, has just returned from a trip to points south as far as Washington, in the interest of his brand and reports one of the most successful trips he has had in a long time.

Harry A. Tint, president of the Retail Tobacco Dealers of Philadelphia, has issued an invitation to all the worthwhile retailers in the Quaker City to attend a meeting of the association at the Hotel Adelphia, Thursday evening, May 3, at 8 o'clock. JOIN UP, GIVE YOUR SUPPORT TO THIS MOVEMENT, AND INSURE PROTECTION TO YOUR BUSINESS.

Bayuk Cigars, Inc., for the first quarter of 1934, ending March 31st, reports net profit of $114,761 after depreciation, Federal taxes, etc., equal after dividend requirements on the 7 per cent. preferred stock, to 74 cents a share on 90,851 no-par shares of common. This compares with $160,734, or $1.21 a share on 89,607 common shares in the same quarter of the previous year.

### RETAILERS' CODE AUTHORITY

A BOARD OF DIRECTORS' meeting of the Retail Tobacco Dealers of America, Inc., was held Monday, April 23d, in the offices of the association, 233 Broadway, New York City. The directors elected to the board Arthur S. Meyer, of the D. A. Schulte Co.; A. C. Allen, of the United Cigar Stores Co.; Moe Weinstein, of the Silver Ring Association, and Eric Calamia, of the Independent Retail Tobacconists Association of America. These gentlemen were elected to fill vacancies in the board.

S. S. Perry, who has for some months past been the Washington representative of the association, residing permanently in Washington, was elected executive secretary of the association.

The board also elected a number of vice-presidents, including the following: Fred H. Lintz, Rochester, N. Y.; Fred H. Barrows, Providence, R. I.; A. V. Henderson, St. Louis, Mo.; Chas. F. La Fond, Detroit, Mich.; W. G. Patterson, Birmingham, Ala.; Otto Heuck, Boise, Idaho; Geo. R. Curtis, Baltimore, Md.; Louis T. Shirk, Lincoln, Neb.; E. J. Boyle, Phoenix, Ariz.; A. R. Steinmeyer, Hartford, Conn.; N. D. Eubank, Atlanta, Ga.; R. Carl Mitchell, Washington, D. C.; Walter R. Irving, Jacksonville, Fla.; Harold C. Dean, Wilmington, Del.; W. A. Williams, Waterloo, Iowa; Paul H. Graham, Springfield, Ill.; Juan Dominguez, New Orleans, La.; Oscar R. Andren, Portland, Me.; Fred K. Rowley, Duluth, Minn.; E. Luedke, St. Paul, Minn.; Raymond Carlson, Butte, Mont.; L. G. Verrette, Manchester, N. H.; Chas. Ilfield, Albuquerque, N. M.; James T. Nolan, Albany, N. Y.; H. A. Johnson, Syracuse, N. Y.; A. E. Stocker, Canton, Ohio; H. G. Hall, Erie, Pa.; Geo. Jones, Philadelphia, Pa.; R. O. Fielding, Seattle, Wash.; C. H. Demuth, Lancaster, Pa.; P. W. Saville, Salt Lake City, Utah; Henry D. Guy, Roanoke, Va.; H. W. McInemey, Cheyenne, Wyo.; Larry Goodman, Milwaukee, Wis.; Louis A. Gretz, Los Angeles, Calif.; Henry Strauss, Cincinnati, Ohio; Frank Miller, Norfolk, Va.; Carl Wilke, San Francisco, Calif.

These vice-presidents will represent the association and assist local code authorities in their territories to carry out enforcement of the Code.

As the Retail Tobacco Dealers of America were designated by the Administrator to elect the tobacco members of the Code Authority for the retail tobacco industry, the board elected the following members to the Code Authority: Wm. A. Hollingsworth, Arthur S. Meyer, Clifford M. Dawson, I. H. Lefkowitz, Joseph Sanderson and Louis Klein.

### TAKE ON WHEELING STOGIES

William A. Copple, eastern representative for M. Marsh & Son, Wheeling, W. Va., manufacturers of the famous Wheeling Stogies, was a visitor last week and left with a nice volume of orders. Mr. Copple stated that Packer Bros., distributors, of New York City, had taken on the Marsh line for distribution in their territory, and also, with pardonable pride, displayed a letter from factory headquarters stating that they were working to capacity and were so far oversold that it was necessary to allot their shipments to their various distributors. Dusel, Goodloe & Co., in Atlantic City, have also taken over the distribution of the Marsh line for their territory.



# Cigars Up Nearly 198 Millions in 9 Months

| Cigars: | *First 9 Mos. Fiscal Yr. 1934* | *— Decrease + Increase Quantity* |
|---|---|---|
| Class A— | | |
| United States | 2,854,599,485 | + 286,672,520 |
| Puerto Rico | 43,463,880 | — 778,090 |
| Philippine Islands | 180,719,380 | + 54,156,895 |
| Total | 3,078,782,745 | + 340,051,325 |
| Class B— | | |
| United States | 26,339,688 | — 4,232,111 |
| Puerto Rico | 2,156,600 | + 1,654,250 |
| Philippine Islands | 170,491 | — 353,955 |
| Total | 28,666,779 | — 2,931,816 |
| Class C— | | |
| United States | 431,858,388 | — 78,202,750 |
| Puerto Rico | 795,430 | — 111,650 |
| Philippine Islands | 210,542 | + 4,394 |
| Total | 432,864,360 | — 78,310,006 |
| Class D— | | |
| United States | 33,170,687 | — 5,574,015 |
| Puerto Rico | 1,000 | — 500 |
| Philippine Islands | 2,050 | + 174 |
| Total | 33,173,737 | — 5,574,341 |
| Class E— | | |
| United States | 4,123,510 | — 697,352 |
| Puerto Rico | ..... | ..... |
| Philippine Islands | 2,856 | — 23,967 |
| Total | 4,126,366 | — 721,319 |

| | | |
|---|---|---|
| Total All Classes: | | |
| United States | 3,350,091,758 | + 197,966,292 |
| Puerto Rico | 46,416,910 | + 764,010 |
| Philippine Islands | 181,105,319 | + 53,783,541 |
| Grand Total | 3,577,613,987 | + 252,513,843 |
| Little Cigars: | | |
| United States | 170,866,587 | — 5,748,521 |
| Puerto Rico | 2,330,000 | — 1,274,000 |
| Philippine Islands | ..... | ..... |
| Total | 173,196,587 | — 7,022,521 |
| Cigarettes: | | |
| United States | 84,038,325,322 | +7,899,719,966 |
| Puerto Rico | 3,549,800 | + 1,210,460 |
| Philippine Islands | 1,176,750 | — 117,860 |
| Total | 84,043,051,872 | +7,900,812,566 |
| Large Cigarettes: | | |
| United States | 72,243,700 | + 70,016,916 |
| Puerto Rico | 755,000 | + 365,000 |
| Philippine Islands | 6,400 | — 4,591 |
| Total | 73,005,100 | + 70,377,325 |
| Snuff (lbs.): | | |
| All United States | 28,384,217 | + 2,907,440 |
| Tobacco, Mfd. (lbs.): | | |
| United States | 230,787,876 | + 5,884,029 |
| Philippine Islands | 76 | — 122 |
| Total | 230,787,952 | + 5,883,907 |

### JAMES A. GRAY ELECTED NEW PRESIDENT OF REYNOLDS

JAMES A. GRAY was elected president of R. J. Reynolds Tobacco Co. at the annual meeting of directors in Winston-Salem, N. C., on April 16th. He succeeds S. Clay Williams, who was advanced to the position of vice-chairman of the board of directors. Mr. Gray has been with the company since 1920. He is a native of Winston-Salem, a graduate of the local high school and of the University of North Carolina in the class of 1908. Following his graduation, he became associated with the Wachovia National Bank, and later with the Wachovia Bank and Trust Co., where he was successively assistant treasurer, treasurer and vice-president.

He became connected with R. J. Reynolds Tobacco Co. fourteen years ago as vice-president, a position which he has held continuously since. He is forty-four years old.

The officials of the company are: Bowman Gray, chairman of the board; W. N. Reynolds, chairman of the executive committee; J. A. Gray, president; S. Clay Williams, vice-chairman of the board; H. T. Kirk, vice-president; R. E. Lasater, vice-president; M. E. Motsinger, secretary; R. D. Shore, treasurer.

JAMES A. GRAY

# Code of Fair Competition

(*Continued from Page 4*)

SECTION 10. Upon application of any employer, at any time a higher rate of exemption for slow workers than is established in Section 9 of this Article may be established by the Code Authority with the approval of the Administrator. At any time after September 1, 1934, a higher or lower rate of exemption may be established for any particular employer by the Code Authority, with the approval of the Administrator, after such notice and opportunity to be heard as the Administrator may require.

SECTION 11. All piece rates shall be established so as to yield the minimum rates of pay provided in this Article and no piece rate shall be reduced in order to increase the actual number of slow workers employed by any manufacturer.

SECTION 12. The wages of all employees now in excess of the minimum herein established shall be equitably readjusted.

SECTION 13. Where male and female employees perform substantially the same duties or do substantially the same work, they shall receive the same rate of pay.

### ARTICLE V.

### General Labor Provisions.

SECTION 1. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

SECTION 2. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing or assisting a labor organization of his own choosing.

SECTION 3. Employers shall comply with the maximum hours of labor, minimum rates of pay and other conditions of employment, approved or prescribed by the President.

SECTION 4. No person under the age of sixteen (16) years shall be employed in the Wholesale Tobacco Trade.

SECTION 5. No person under eighteen (18) years of age shall work, or be permitted to work, at operations or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator within sixty (60) days after the effective date of this Code, a list of such occupations for his approval.

SECTION 6. Employers shall make payment of all wages in lawful currency or by negotiable checks, payable on demand. All contracts of employment shall prescribe payment of wages at least every two weeks and salaries at least as often as every month.

SECTION 7. No provision in this Code shall supersede any State or Federal law which imposes on employers more stringent requirements as to age of employees, wages, hours of work, or as to safety, health, sanitary or general working conditions, or insurance or fire protection, than are imposed by this Code.

SECTION 8. Employers shall not change the method of payment of employees' compensation or reclassify employees or duties of occupations performed by employees or engage in any other subterfuge so as to defeat the purposes of the Act or the provisions of this Code.

SECTION 9. No employee paid at a rate in excess of the minimum shall be discharged and re-employed at a lower rate of pay for the purpose of evading the provisions of this Code.

SECTION 10. All employers shall keep posted complete copies of the provisions of this Code dealing with hours, wages and conditions of employment in conspicuous places of easy and continuous access to employees.

SECTION 11. Each member of the industry shall comply with such rules and regulations with regard to the posting of notices, bulletins and extracts of Code provisions as may be from time to time further issued by the Administrator. Such notices, bulletins and extracts of Code provisions shall be written in English and such other language as may be in general use throughout the establishment.

SECTION 12. Every employer shall make reasonable provision for the safety and health of his employees at the place and during the hours of their employment.

Standards for safety and health shall be submitted by the Code Authority to the Administration within six months after the effective date of this Code.

SECTION 13. After the effective date of this Code, wages shall be exempt from fines and rebates; and from charges and deductions, except charges and deductions for employees' contributions voluntarily made by employees for benefit funds. No employer shall withhold wages except upon service of legal process or other papers lawfully requiring such withholding.

Deductions for other purposes not heretofore stated may be made only when the contract is in writing and is kept on file by the employer for six months after the termination of the contract and which shall be kept open for the inspection of Government representatives.

SECTION 14. At the expiration of nine (9) months after the effective date of this Code, the Industry shall petition the President or the Administrator to review the provisions of this Code relating to hours of labor and rates of pay.

### ARTICLE VI.

### Merchandising Plan.

The Merchandising Plan set forth in Schedule I, annexed hereto, adopted for the Wholesale Tobacco Trade and the Retail Tobacco Trade in their respective Codes of Fair Competition and hereinafter for convenient reference in part repeated, is hereby accepted, adopted and approved; and all of the provisions of the said Merchandising Plan set forth in said Schedule I and this Article VI in so far as they purport to regulate the conduct of members of the Cigar Manufacturing Industry are hereby made rules of fair practice and fair competition for all members of the Cigar Manufacturing Industry.

The provisions of said Schedule I and of this Article VI may be amended only by amendment of this

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## Watch out for the signs of jangled nerves

You've noticed other people's nervous habits—and wondered probably why such people didn't learn to control themselves.

But have you ever stopped to think that *you*, too, may have habits that are just as irritating to other people as those of the key juggler or coin jingler are to you?

And more important than that, those habits are a sign of jangled nerves. And jangled nerves are the signal to stop and check up on yourself.

**Get enough sleep—fresh air—recreation—and watch your smoking.**

**Remember, you can smoke as many Camels as you want. Their costlier tobaccos *never* jangle the nerves.**

**FREE**
**Game Book**

Shows 20 ways to test nerves—all illustrated. Instructive and amusing! Try them on your friends—see if *you* have healthy nerves yourself... Mail order-blank below with fronts from 2 packs of Camels. Free book comes postpaid.

**CLIP AND MAIL TODAY!**

R. J. Reynolds Tobacco Company
Dept. 112-A, Winston-Salem, N. C.

I enclose fronts from 2 packs of Camels.
Send me book of nerve tests postpaid.

*Name*.....
(PRINT NAME)

*Street*.....

*City*..... *State*.....

Offer expires December 31, 1934

*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

**CAMELS**— SMOKE AS MANY AS YOU WANT... THEY NEVER GET ON YOUR NERVES!

TUNE IN! *CAMEL CARAVAN with Casa Loma Orchestra, Stoopnagle and Budd, Connie Boswell, Every Tuesday and Thursday at 9 P. M., E.S.T.—8 P. M., C.S.T.—7 P. M., M.S.T.—6 P. M., P.S.T., over WABC-Columbia Network*

Code and of the Codes for the Wholesale Tobacco Trade and the Retail Tobacco Trade, but the Administrator may of his own motion, or on recommendation of the Code Authority hereby established or of either of the Code Authorities established by the Codes respectively for the Wholesale Tobacco Trade and the Retail Tobacco Trade, and on such notice and hearing, if any, as the Administrator may direct, stay the operation of the provisions of said Schedule I and this Article VI.

SECTION 1. As to each of the cigars of his manufacture, each cigar manufacturer shall record with the Counsel the minimum sales price at which such cigar is intended to be sold at retail (exclusive of any governmental tax or charge thereon required to be paid by the jobber or retailer), which price, hereinafter referred to as "the retail price," shall constitute the basis for computing the discounts and terms for all dealers as hereinafter provided; and shall also record with the Authority the discounts and credit terms to be allowed by him from the retail price in connection with the several respective classes of transaction described in subdivisions (a) to (d) inclusive of Section 2 of this Article VI. The retail price and, within the limits hereinafter prescribed, the discounts shall be subject to change at the discretion of the manufacturer, provided the revised price of discounts, as the case may be, be recorded with the Authority at least five days before the change becomes effective unless a shorter time be required by a cigar manufacturer in order to meet a competitor's reduction of price, which is not in violation of this Code. The retail price shall be prominently marked on each container of cigars.

SECTION 2. From the recorded retail price, each cigar manufacturer shall, as to each of his products, grant discounts to be established by him in his discretion within the limits hereinafter in this Section 2 prescribed, as follows:

(a) In the case of sales, if any, to retailers other than sales to chains of stores and other than drop shipment sales under subdivision (d) of this section 2, a discount of not more than 28%.

(b) In the case of sales to accredited cigar jobbers, a discount, in addition to the discount which shall have been established by the manufacturer under subdivision (a), of not more than 14%.

(c) In the case of sales to cigar service jobbers, a discount, in addition to the discount which shall have been established by the manufacturer under subdivision (a), of not more than 66 2/3% of the established discount to accredited jobbers.

(d) In a territory where a cigar manufacturer has an accredited cigar jobber, the cigar manufacturer may, in his discretion, make drop shipments to retailers or sub-jobbers, provided the accredited cigar jobber agrees to or requests such shipments; in a territory where the cigar manufacturer has no accredited cigar jobber, the cigar manufacturer may, in his discretion, make drop shipments, to retailers. Provided that in either case shipments shall be made only in quantities of not less than 2,000 cigars in the case of Class A and Class B cigars, and not less than 1,000 cigars in the case of Class C or higher classes.

For such sales or drop shipments, there shall be established a discount for the drop shipment purchaser, in addition to the discount which shall have been established by the manufacturer under Subdivision (a), of not more than 5%, and this discount shall be allowed by the manufacturer or jobber, whichever shall make the billing.

The cigar manufacturer may in connection with each drop shipment sale allow to the accredited cigar jobber who has requested or consented to such sale a service credit. Provided, that the total of the service credit and the discount allowed to the drop shipment purchaser and the accredited jobber shall not exceed the 14% set forth in Subdivision (b) above.

(e) In the case of sales to chains of stores, discounts not exceeding the discounts which the manufacturer shall have established for his sales to accredited cigar jobbers under Subdivision (b), provided, however, that each cigar manufacturer may determine in his own discretion to which chains, if any he will make direct sales and, within the limits hereinabove prescribed, the amount of discounts on each such sale.

On each transaction in any of the categories (a) to (d) inclusive above described, the cigar manufacturer may allow a further discount of 2% for cash within his established credit terms.

Nothing herein contained shall prevent any cigar manufacturer from establishing within the maximum percentage limits hereinabove prescribed a different schedule of discounts with respect to each of the several brands, sizes, shapes or prices of his products, or a schedule of discounts different from that of any other cigar manufacturer; but each cigar manufacturer shall apply his established system of discounts uniformly as to each of the classes of transactions above enumerated in Subdivisions (a) to (d), inclusive, and within each of the said classes of transactions there shall in no case be any individual variation or variations from the discount or discounts so established by such cigar manufacturer. The service credits provided for in Subdivision (d) need not be uniform and may vary in each individual case.

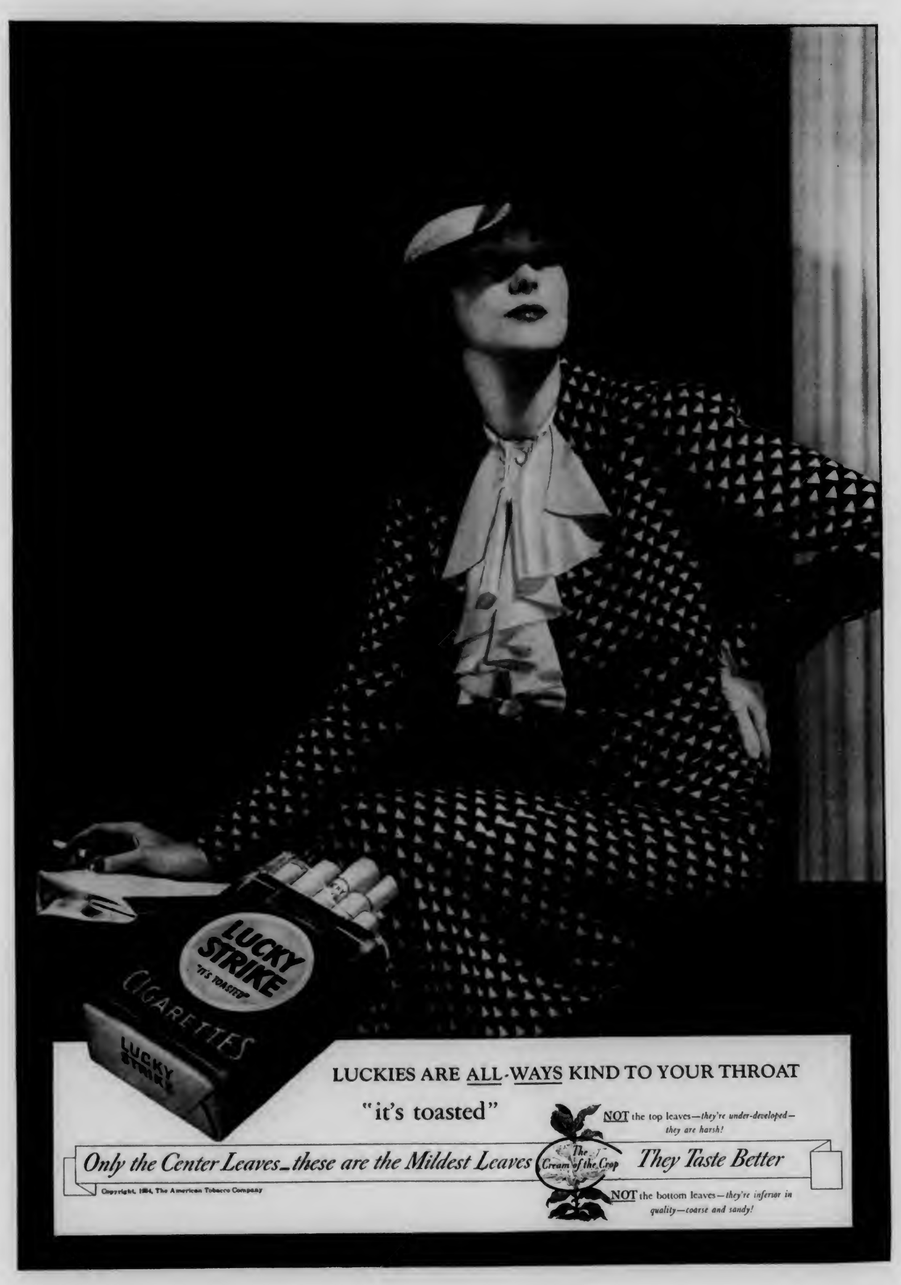
SECTION 3. No manufacturer shall sell cigars at retail to consumers except in accordance with the provisions of the approved Code of Fair Competition for the Retail Tobacco Trade, but the provisions of this merchandising plan shall not apply to any cigar manufacturer who sells exclusively and directly to the consumer.

SECTION 4. No manufacturer shall offer or give a free deal. The term "free deal" as used in this paragraph means the gift of cigars or anything of value or any special deal, discount or allowance conditioned upon the purchase of a product.

SECTION 5. All sales by manufacturers shall be evidenced by itemized invoices showing the retail price and the discounts granted therefrom.

SECTION 6. Upon the recommendation of the Code Authority established by this Code or the Code for the Wholesale Tobacco Trade or the Code for the Retail Tobacco Trade or upon application of any member of the Cigar Manufacturing Industry or of the Wholesale Tobacco Trade or of the Retail Tobacco Trade and the approval of such recommendation or application by the Administrator, the Code Authorities established by the said several Codes, shall, upon such notice and opportunity to be heard, if any, as the Administrator may require determine by joint action minimum discounts to be prescribed in connection with sales of cigars by any member of the Industry, and such determination shall be effective only upon the concurrence




LUCKY STRIKE
"IT'S TOASTED"
CIGARETTES
LUCKY STRIKE
LUCKIES ARE ALL-WAYS KIND TO YOUR THROAT
"it's toasted"
NOT the top leaves—they're under-developed—they are harsh!
Only the Center Leaves—these are the Mildest Leaves
The Cream of the Crop
They Taste Better
NOT the bottom leaves—they're inferior in quality—coarse and sandy!
Copyright, 1934, The American Tobacco Company

ther approval of the Administrator, such minimum discounts shall be binding upon all members of the Industry.

SECTION 7. Wherever any of the provisions of this Article VI provide for two or more discounts from the retail price, such discounts shall be computed separately and successively so that each succeeding discount shall be computed upon the balance of the retail price remaining after the deduction of the next preceding discount provided for.

SECTION 8. Nothing in this Article VI shall be construed to prevent the free and general distribution of articles commonly used for advertising, except in so far as such distribution would constitute in effect an additional discount or reduction in price.

### ARTICLE VII.

### Trade Practices.

SECTION 1. *False Advertising.* The making or causing or permitting to be made or published of any false, untrue or deceptive statement by way of advertising or otherwise concerning the grade, quality, quantity, substance, character, nature, origin, size or preparation of any product of the trade, having the tendency and capacity to mislead or deceive purchasers or prospective purchasers and the tendency injuriously to affect the business of competitors, is prohibited as an unfair method of competition.

SECTION 2. *Deceptive Branding.* The infringement of established trade-marks and the use of trade-marks or trade names which will result in deception of the public or enable dealers to perfect such deception is prohibited as an unfair method of competition.

SECTION 3. *False Billing.* No member of the Industry shall knowingly withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

SECTION 4. *Inaccurate Labelling.* No member of the Industry shall brand or mark or pack any cigar and/or cigars in any manner which is intended to or does deceive or mislead purchasers with respect to brands, grade, quality, quantity, origin, size, substance, character, nature, material content, or preparation of such cigar and/or cigars.

SECTION 5. *Inaccurate References to Competitors, etc.* No member of the Industry shall publish advertising which refers inaccurately in any material particular to any competitors or their goods, prices, values, credit terms, policies or services.

SECTION 6. *Threats of Lawsuits.* No member of the Industry shall publish or circulate unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harassing competitors or intimidating their customers. Failure to prosecute in due course shall be evidence that any such threat is unwarranted or unjustified.

SECTION 7. *Bribing Employees.* No member of the Industry shall give, permit to be given, or directly or indirectly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal or party. This provision shall not be construed to pro-

SECTION 6. If the Administrator shall at any time determine that any action of the Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that



hibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

SECTION 8. *Coercion.* No member of the Industry shall require that a purchase of any tobacco products or other goods be a prerequisite to the purchase of any other tobacco products.

SECTION 9. No member of the Industry shall distribute any cigars or stogies, produced by employees paid at the wage rates prescribed in Article IV, Section 5 of this Code, unless such cigars or stogies are packed in containers clearly marked to indicate to the consumer that the cigars or stogies contained therein are intended to sell at retail, at not more than 2 for 5 cents.

### ARTICLE VII.

### Organization, Powers and Duties of the Code Authority. Organization and Constitution.

SECTION 1. There shall forthwith be constituted a Code Authority consisting of not more than twelve members, to be selected as follows:

Six members, three of whom shall represent machine cigar manufacturers and three of whom shall represent hand cigar manufacturers, selected by the manufacturers who are members of the Associated Cigar Manufacturers and Leaf Tobacco Dealers.

Two members, one of whom shall represent machine cigar manufacturers and one of whom shall represent hand cigar manufacturers, selected from non-members of the foregoing Association by the Administrator.

One member, appointed by the Labor Advisory Board of the National Recovery Administration.

SECTION 2. In addition to membership as above provided, there may be not more than three (3) members, to be appointed by the Administrator to serve without vote.

SECTION 3. The Association and each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of association, by-laws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

SECTION 4. In order that the Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification of the method of selection of the Code Authority.

SECTION 5. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Code Authority. Nor shall any member of the Code Authority exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own wilful misfeasance or non-feasance.

of all three Code Authorities and, subject to the fur-



Cigars are the most pleasurable and economical form of smoking. © 1934 B. C. I.

# BAYUK BULLETIN

NRA MEMBER U.S. WE DO OUR PART

VOLUME II. MAY 1, 1934 NUMBER 7

## PHULOFAX
*(The Retailer's Friend)*
## SAYS

Mr. Jobber: In analyzing results from your sales force, do you ascertain if trade is called upon too frequently or not often enough? Has each man enough accounts or too many accounts? Is average sale per store too low or is there a tendency to load up trade? What is average credit turnover by each man? etc., etc. A good analysis often discovers the right or wrong status of a business or of any salesman out after business.

—o—

The rainiest spot on the earth is the Waipo Valley in Hawaii, which truth hasn't the least iota to do with the fact that a salesman we know secured 50 orders one blizzardy day as against another salesman getting 12 on a bright, sun-shiny day. Wonder whether it was the weather!

—o—

Speaking about sales records, how's this for high mark of orders taken in one week's work . . . maybe that word "work" should have been "WORK" . . . 214 orders were taken by C. R. C. during week ending April 7th. There's something to shoot at, boys! How about you——F. L. B., and you, J. J. U. beating it?

—o—

Don't tell me a real C. B. A. member can't help boost cigar sales . . . read this from Floyd N. out on the Pacific Coast: "Lots of movie owners give glassware, etc., to draw more women patrons. . . . I went to a movie owner and said, 'Why don't you give something to attract men?' Result—he gave a CIGAR to each male patron on his *free gift night.*" Nice work, brother C. B. A.!

—o—

"I won first prize in last month's sales contest," writes B. L. C., "and when I analyzed the whole thing I realized that I didn't work any harder to win the prize than I should have worked to win my own self-respect." Commendable thought, B. L. C.

—o—

If for any reason you miss a customer on your regular visit and it's just impossible to make a call-back, do you 'phone him at the very earliest opportunity?

—o—

There is more nutritive value in codfish than there is in gooseberries and there is more economical pleasure in a cigar than in any other form of smoking.

—o—

"*Dear Phil*—Will you do all you can to kill the report that I have joined the Navy. Outside of trying to get a job the only thing I want to join is the C. B. A.

(Signed) Alex Smart."

Phil M. Phulofax*
D. B. I.

*Associated with BAYUK CIGARS, INC., Philadelphia—Makers of fine cigars since 1897

## THE ANSWER TO "I CAN BUY 'EM CHEAPER"

### *Salesman A. W. Goudey Spikes Bromide for Keeps*

If you should make the finest mousetrap in the world and start out to peddle it around to the retail trade, it wouldn't be long before you ran up against that moss-grown argument — "Why should I sell *your* mousetraps? I can buy a cheaper line and make more money."

The first salesman who ever sold cigars met that argument the first day he started on his rounds. And every other salesman has been hearing it regularly ever since. There's nothing novel about it, but as a first quality, chilled steel, hard-to-crack piece of sales-resistance, it's a lulu. The darned thing is so logical.

However, A. W. Goudey, New York cigar salesman, tells how he flattened out the "buy 'em cheaper" comeback with a sales argument that was still *more* logical. Let him tell it.

* * *

I was calling on the proprietor of an up-state drug store. And he said "no" as plainly as a man could say it.

"Look here, Goudey. I can buy lots of cigars cheaper than yours, that go pretty well with my trade. I'd be seven kinds of a darn fool to cheat myself out of that extra profit."

"That's right, Mr. X," I replied. "I see your point. By the way, how many of my brand could you sell in a month?"

"Well, it's a popular smoke—I'll admit that. Let's say I could sell about 500 a month. But I would make less profit. I might not sell as many of these other brands but I make—"

"Pardon the interruption, Mr. X," I said. "If you can sell 500 of my cigars in a month—and your bill is not due for 30 days—you're making a good profit without any investment at all. It's just as if you had these cigars on consignment. With your permission I'd like to leave this little display on your case—and send you 500 cigars. Let's see what the quality of this cigar, plus all the advertising we're putting behind it, will do for you."

"Right," said X. "I'll try it." And he did. Before his bill was due, he'd sold out and had to order more. Now when I call to see him I just say "Good morning!" He's always ready with an order.

When are *you* joining?
**CBA**
CIGAR BOOSTERS' ASSOCIATION

## REVISING THE DICTIONARY

In the bright lexicon of Harry Clews, a St. Louis cigar salesman, the word "poster" is now spelled "booster."

Before Mr. Clews leaves a dealer's store it is his custom to produce a poster with a brief sales spiel to the following effect: "Let me put this little booster on your window. It will be a boost for your business, my business and the cigar business."

Mr. Clews reports a record number of posters installed by this simple method of impressing the dealer with the undeniable fact that a good poster, prominently displayed, is a hard working, silent salesman who asks no wages—and who never goes out for lunch.

## AESOP WOULD HAVE LIKED THIS ONE

Yes, this actually happened.

Jones leaves his office accompanied by his friend Brown.

JONES: Gee, I've got to get some cigars.

BROWN: There's a cigar store, right over there.

JONES: Not for mine. The baby that runs that shop knows too much.

BROWN: What d'you mean, he knows too much.

JONES: He knows better than I do what cigar I ought to smoke. He's always trying to switch me to some brand I never heard of.

BROWN: Makes a larger profit on it probably.

JONES: I dunno. Anyway, I'm trading at a place where the motto is "You pays your money and you takes your choice."

MORAL: It's sometimes easier to talk yourself out of a sale than into one.

BAYUK BRANDS BUILD BUSINESS
**Bayuk Philadelphia Perfecto**
(BAYUK "PHILLIES")
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

## WEEP—AND THE WORLD WEEPS WITH YOU

L.M.T., cigar salesman, tells one that you wouldn't believe if you hadn't heard really intelligent salesmen pull tricks equally as dumb.

* * *

I was having lunch in a restaurant some time ago (relates L.M.T.), when in came one of my competitors (we'll call him Smithers) who sells a line of good cigars.

"How's business?" he asked the proprietor. He got the inevitable answer: "Rotten. How's yours?"

"Lousey," replied friend Smithers. With that he and the restaurant man fell to weeping on each other's shoulders. This talk about business getting better was the bunk, — there wasn't any business to get better and collections were awful. Oh, they had a simply marvelous time. After about five minutes of this, Smithers went away, sobbing quietly into his crying towel.

As though I had not overheard a word of their conversation, I stepped up to the desk. "Say," I remarked casually. "Did you see in the papers the coal miners got $3,200,000 last pay. And with this cold weather, it looks like a big pay for them again this time. Car loadings have picked up, too. I can certainly feel the effects in *my* business. Yesterday was the best day I've had in months."

Before I left I had an order for exactly $62.80. At least half of it belonged by rights to Smithers. But he had no kick coming. He'd had a marvelous time unburdening his sorrows to a sympathetic listener.

such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

### Powers and Duties.

SECTION 7. Subject to such rules and regulations as may be issued by the Administrator, the Code Authority shall have the following powers and duties, in addition to those authorized by other provisions of this Code:

(a) To insure the execution of the provisions of this Code and to provide for the compliance of the Industry with the provisions of the Act.

(b) To adopt by-laws and rules and regulations for its procedure.

(c) To obtain from members of the Industry such information and reports as are required for the administration of the Code. In addition to information required to be submitted to the Code Authority, members of the industry subject to this Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State agencies as he may designate; provided that nothing in this Code shall relieve any member of the Industry of any existing obligations to furnish reports to any Government agency. No individual report shall be disclosed to any other member of the Industry or any other party except to such other Governmental agencies as may be directed by the Administrator.

(d) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade Associations and agencies shall at all times be subject to and comply with the provisions hereof.

(e) To make recommendations to the Administrator for the coordination of the administration of this Code with such other codes, if any, as may be related to or affect members of the Industry.

(f) (1) It being found necessary to support the Administration of this Code, in order to effectuate the policy of the Act and to maintain the the standards of fair competition established hereunder, the Code Authority is authorized:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which shall be held in trust for the purposes of the Code and raised as hereinafter provided;

(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary

1. An itemized budget of its estimated expenses for the foregoing purposes, and

2. An equitable basis upon which the funds necessary to support such budget shall be contributed by all members of the Industry;

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and collect equitable contributions as above set forth, and to that end, if necessary, to institute legal proceedings therefor in its own name.

(2) Each member of the Industry shall be liable for his or its equitable contribution to the expenses of the maintenance of the Code Authority as hereinabove provided. Only members of the Industry complying with the Code and making such contribution shall be entitled to participate in the selection of the members of the Code Authority or to receive the benefits of its voluntary activities or to make use of any NRA insignia.

(g) To cooperate with the Administrator in regulating the use of any NRA insignia solely by those members of the Industry who are complying with this Code.

(h) To recommend to the Administrator any action or measures deemed advisable, including further fair trade practice provisions to govern members of the Industry in their relation with each other or with other industries; measures for industrial planning, and stabilization of employment; and including modifications of this Code which shall become effective as part hereof upon approval by the Administrator after such notice and hearing as he may specify.

(i) To appoint a Trade Practice Committee which shall meet with the Trade Practice Committees appointed under such other codes as may be related to the Industry for the purpose of formulating fair trade practices to govern the relationships between employers under this Code and such other codes to the end that such fair trade practices may be proposed to the Administrator as amendments to this Code and such other codes.

(j) To provide appropriate facilities for arbitration, and subject to the approval of the Administrator, to prescribe rules of procedure and rules to effect compliance with awards and determination.

SECTION 8. Any member of the Industry may submit data tending to prove that such member is placed at a competitive disadvantage with or is subject to different economic conditions to those of other members of the Industry; and the Code Authority may, after investigation recommend to the Administrator that change be made in the Labor Provisions of this Code, and upon approval by the Administrator, after such notice and hearing as he may specify, such new provisions shall become effective for that member of the Industry.

SECTION 9. Whenever any question may arise under this Code as to the construction and meaning of any portion thereof, the Code Authority may issue such interpretations as may be necessary to effectuate the operation of and compliance with the policy of the Act, subject at all times to the approval of the Administrator and such interpretations approved by the Administrator shall become operative as a part of this Code.

SECTION 10. No provision of this Code shall deny to any member of the Industry or to any party in any proceeding the right to appeal to the Administrator nor prevent, at any time, direct appeal to him from any determination of the Code Authority. The Code Authority may, if it chooses, invoke the procedure provided for in this section.



### ARTICLE IX.

### Modification.

SECTION 1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule or regulation issued under said Act.

SECTION 2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modifications to be based upon application to the Administrator and such notice and hearing as he shall specify and to become effective on approval of the Administrator.

### ARTICLE X.

### Monopolies, Etc.

No provision of this Code shall be applied as to permit monopolies or monopolistic practice, or to eliminate, oppress, or discriminate against small enterprises.

### ARTICLE XI.

The provisions of this Code shall not apply to the territory of Puerto Rico, but its provisions shall apply to the marketing of Puerto Rican cigars, by the manufacturers thereof, in the United States.

### ARTICLE XII.

### Effective Date.

This Code shall become effective on the date specified by the President in his order of approval.

### SCHEDULE I.

### Merchandising Plan.

### A.

*Sales by Cigar Manufacturers.*

SECTION 1. As to each of the cigars of his manufacture, each cigar manufacturer shall record with the Council the minimum sales price at which such product is intended to be sold at retail (exclusive of any governmental tax or charge thereon required to be paid by the jobber or retailer), which price, hereinafter referred to as "the retail price" shall constitute the basis for computing the discounts and terms for all dealers as hereinafter provided; and shall also record with the Council the discounts and credit terms to be allowed by him from the retail price in connection with the several respective classes of transaction described in subdivisions (a) to (d) inclusive of Section 2 of this Division A. The retail price and, within the limits hereinafter prescribed, the discounts shall be subject to change at the discretion of the manufacturer, provided the revised price or discounts as the case may be, be recorded with the Council at least five days before the change becomes effective unless a shorter time be required by a cigar manufacturer in order to meet a competitor's reduction of price which is not in violation of this Code. The retail price shall be prominently marked on each container of cigars.

SECTION 2. From the recorded retail price, each cigar manufacturer shall, as to each of his products, grant discounts to be established by him in his discretion within the limits hereinafter in this Section 2 prescribed, as follows:

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

| | |
|---|---|
| JESSE A. BLOCH, Wheeling, W. Va. | President |
| JULIUS LICHTENSTEIN, New York, N. Y. | Vice-President |
| WILLIAM BEST, New York, N. Y. | Chairman Executive Committee |
| MAJ. GEORGE W. HILL, New York, N. Y. | Vice-President |
| GEORGE H. HUMMELL, New York, N. Y. | Vice-President |
| H. H. SHELTON, Washington, D. C. | Vice-President |
| WILLIAM T. REED, Richmond, Va. | Vice-President |
| HARVEY L. HIRST, Philadelphia, Pa. | Vice-President |
| ASA LEMLEIN, New York, N. Y. | Treasurer |
| CHARLES DUSHKIND, New York, N. Y. | Counsel and Managing Director |

Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

| | |
|---|---|
| WILLIAM A. HOLLINGSWORTH, 233 Broadway New York, N. Y. | President |
| CLIFFORD N. DAWSON, Buffalo, N. Y. | Executive Vice-President |
| JAMES C. THOMPSON, Chicago, Ill. | Treasurer |

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

| | |
|---|---|
| JOHN H. DUYS, New York City | President |
| MILTON RANCK, Lancaster, Pa. | First Vice-President |
| D. EMIL KLEIN, New York City | Second Vice-President |
| LEE SAMUELS, New York City | Secretary-Treasurer |

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

| | |
|---|---|
| ABE BROWN, 180 Grumman Ave., Newark, N. J. | President |
| ALBERT FREEMAN, New York, N. Y. | First Vice-President |
| IRVEN M. MOSS, Trenton, N. J. | Second Vice-President |
| A. STERNBERG, Newark, N. J. | Secretary |

RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

| | |
|---|---|
| MORRIS LEVITONE | President |
| SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. | Secretary |

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

| | |
|---|---|
| E. ASBURY DAVIS, Baltimore, Md. | President |
| JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. | Secretary |
| GEO. B. SCRAMBLING, Cleveland, Ohio | Treasurer |

UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

| | |
|---|---|
| JOHN F. BROWN | President |
| HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. | Secretary |

(a) In the case of sales, if any to retailers other than sales to chains of stores and other than drop shipment sales under subdivision (d) of this Section 2, a discount of not more than 28%.

(b) In the case of sales to accredited cigar jobbers, a discount, in addition to the discount which shall have been established by the manufacturer under subdivision (a), of not more than 14%.

(c) In the case of sales to cigar service jobbers, a discount, in addition to the discount which shall have been established by the manufacturer under subdivision (a), of not more than 66 2/3% of the established discount to accredited jobbers.

(d) In a territory where a cigar manufacturer has an accredited cigar jobber, the cigar manufacturer may, in his discretion, make drop shipments to retailers or subjobbers, provided the accredited cigar jobber agrees to or requests such shipments; in a territory where the cigar manufacturer has no accredited cigar jobber, the cigar manufacturer may, in his discretion, make drop shipments to retailers. Provided that in either case shipments shall be made only in quantities of not less than 2,000 cigars in the case of Class A and Class B cigars, and not less than 1,000 cigars in the case of Class C or higher classes.

For such sales or drop shipments, there shall be established a discount for the drop shipment purchaser, in addition to the discount which shall have been established by the manufacturer under Subdivision (a), of not more than 5%, and this discount shall be allowed by the manufacturer or jobber, whichever shall make the billing.

The cigar manufacturer may in connection with each drop shipment sale allow to the accredited cigar jobber who has requested or consented to such sale a service credit. Provided, that the total of the service credit and the discount allowed to the drop shipment purchaser and the accredited jobber shall not exceed the 14% set forth in Subdivision (b) above.

(e) In the case of sales to chains of stores, discounts not exceeding the discounts which the manufacturer shall have established for his sales to accredited cigar jobbers under Subdivision (b), provided, however, that each cigar manufacturer may determine in his own discretion to which chains, if any, he will make direct sales and, within the limits hereinabove prescribed, the amount of discounts on each such sale.

On each transaction in any of the categories (a) to (d), inclusive, above described, the cigar manufacturer may allow a further discount of 2% for cash within his established credit terms.

Nothing herein contained shall prevent any cigar manufacturer from establishing within the maximum percentage limits hereinabove prescribed a different schedule of discounts with respect to each of the several brands, sizes, shapes or prices of his products, or a schedule of discounts different from that of any other cigar manufacturer; but each cigar manufacturer shall apply his established system of discounts uniformly as to each of the classes of transactions above enumerated in Subdivisions (a) to (d), inclusive, and within each of the said classes of transactions there shall in no case be any individual variation or variations from the discount or discounts so established by such cigar manufacturer. The service credits provided for in Subdivision (d) need not be uniform and vary in each individual case.

SECTION 3. No manufacturer shall sell cigars at retail to consumers except in accordance with the provisions of this merchandising plan relating to sales by retailers; but the provisions of this merchandising plan shall not apply to any cigar manufacturer who sells exclusively and directly to the consumer.

SECTION 4. No manufacturer shall offer or give a free deal. The term "free deal" as used in this paragraph means the gift of cigars or anything of value or any special deal, discount or allowance conditioned upon the purchase of a product.

SECTION 5. All sales by manufacturers shall be evidenced by itemized invoices showing the retail price and the discounts granted therefrom.

B.

*Sales by Jobbers and Sub-Jobbers.*

SECTION 1. Each jobber shall record with the Council the discounts and credit terms (not exceeding the discounts which such jobber shall have received from the manufacturer) to be allowed by the jobber from the retail price in connection with all resales of cigars which in his discretion he may make to subjobbers. Such discounts shall be subject to change at the discretion of the jobber, provided that the revised discounts be recorded with the Council at least three days before the change becomes effective unless a shorter time be required in order to meet a competitor's reduction of price and the discounts so recorded shall so long as effective apply to all such resales by the jobber to sub-jobbers and there shall in no case be any individual variation or variations from the discount or discounts so established.

SECTION 2.—Each jobber and each sub-jobber shall record with the Council the discounts and credit terms (not exceeding the discounts from the retail price which such jobber or sub-jobber shall have received from the manufacturer or jobber, as the case may be) to be allowed upon all resales of cigars to retailers. Such discounts shall be subject to change at the discretion of the jobber or sub-jobber, provided the revised discounts be recorded with the Council at least three days before the change becomes effective unless a shorter time be required in order to meet a competitor's reduction of price; and the discounts so recorded shall, so long as effective, apply to all such resales to retailers and there shall in no case be any individual variation or variations from the discount or discounts so established.

SECTION 3. Each resale by a jobber or sub-jobber under this merchandising plan shall be evidenced by an itemized invoice.

SECTION 4. Nothing in this Division B contained shall affect or modify the provisions above set forth in Division A in relation to drop shipment sales.

SECTION 5. No jobber or sub-jobber shall sell cigars directly to the consumer except through an established retail department and in compliance with the provisions of this merchandising plan in relation to retail dealers.

C.

*Sales by Retailers.*

SECTION 1. In the case of all cigars purchased by retailers from cigar manufacturers, jobbers or subjobbers in connection with which a retail price shall have been recorded by the manufacturer as hereinabove provided, the retailer shall sell such cigars at retail at not less than the retail price so recorded, pro-

Don't miss
PICK & PAT
DON'T MISS THE SMILES THEY'RE BUILDING FOR
DILL'S BEST TOBACCO
NBC
RED NETWORK
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New York . . . . . WEAF
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Providence . . . . . WJAR
Worcester . . . . . WTAG
Portland . . . . . WCSH
Philadelphia . . . WFI-WLIT
Schenectady . . . . . WGY
Buffalo . . . . . WBEN
Pittsburgh . . . . . WCAE
8:30-9 P. M., E. S. T.
Baltimore . . . . . WFBR
Washington . . . . . WRC
Cleveland . . . . . WTAM
Detroit . . . . . WWJ
Cincinnati . . . . . WSAI
8:30-9 P. M., C. D. T.
Chicago . . . . . WMAQ
7:30-8 P. M., C. S. T.
St. Louis . . . . . KSD
Des Moines . . . WOC-WHO
Omaha . . . . . WOW
Kansas City . . . . . WDAF

vided, however, that (1) in the case of the sale at retail of multiples of not less than ten units (except in the case of cigars selling for less than five cents (5¢) each) a discount may be allowed of not more than 5% from the retail price, and (2) in the case of sales at retail of boxes of 25 cigars or more a discount of not more than 8% from the retail price may be allowed unless the cigar manufacturer shall record with the Council and mark a box price thereon involving a discount of less than 8%, in which case the marked box price shall be observed as a minimum, and (3) the retailer may give not more than one pad of matches for each unit sold, or five pads per box of twenty-five cigars or ten pads per box of fifty cigars sold. In the case of any retailer granting a cash discount upon all purchases made, any sales of cigars shall be excluded in computing the cash discount to be allowed, or the amount of cash discount shall be included in the price of the merchandise sold in addition to the minimum prices herein provided.

SECTION 2. Upon any sale to a consumer, situated at the time of such sale in a State imposing a tax on tobacco products or the sale thereof (other than a tax payable by the manufacturer) the amount of such tax, if not paid by the consumer, shall be added to the minimum price herein provided, whether the seller shall be located within or without such State.

SECTION 3. Notwithstanding the provisions of this merchandising plan, any tobacco retailer may sell at less than the prices therein prescribed merchandise sold as bona fide clearance or bona fide discontinued lines or merchandise or imperfect or actually damaged merchandise or merchandise sold upon the complete final liquidation of any business or merchandise donated for charitable purposes or to unemployment relief agencies, provided that all such merchandise shall be advertised, marked and sold as such and that a strip label shall be placed across the inside lid label of box goods to be disposed of, stating the reason the said merchandise is being sold below the prescribed prices therefor, and provided further, that such merchandise shall be disposed of pursuant to any regulation as to the manner of such disposal as shall be issued by the Code Authority subject to the approval of the Administrator.

SECTION 4. Except as in this merchandising plan otherwise expressly provided, wherever under any of the provisions of this merchandising plan any cigar is required to be sold at retail at a minimum price, such minimum retail price shall not be reduced directly or indirectly or by any device or subterfuge such as the giving of any trading or merchandise coupons, prizes or premiums or any other thing of value or discount, rebate, refund, commission, credits or allowances whether in the form of money or otherwise; nor shall any retailer offer or extend special service or privilege to any customer which is not available to all customers.

D.

*Minimum Discounts.*

Upon the recommendation of the Code Authority established by the Code for the Cigar Manufacturing Industry or the Code for the Wholesale Tobacco Trade or the Code for the Retail Tobacco Trade or upon application of any member of the Cigar Manufacturing Industry or of the Wholesale Tobacco Trade or of the Retail Tobacco Trade and the approval of such recommendation or application by the Administrator the Code Authorities established by the said several codes, shall, upon such notice and opportunity to be heard, if any, as the Administrator may require determine by joint action minimum discounts to be prescribed in connection with sales of cigars by any member of said Industry or Trades and such determination shall be effective only upon the concurrence of all three Code Authorities and, subject to the further approval of the Administrator, such minimum discounts shall be binding upon all such members.

E.

*Provisions Applicable to All Sales of Cigars.*

SECTION 1. Wherever any of the provisions of this merchandising plan provide for two or more discounts from the retail price, such discounts shall be computed separately and successively so that each succeeding discount shall be computed upon the balance of the retail price remaining after the deduction of the next preceding discount provided for.

SECTION 2. Any increase in the retail price shall be applicable as at the effective date of such increase to all merchandise thereafter sold by wholesale distributors or retailers, but wholesale distributors may, notwithstanding any reduction of the retail price, dispose of existing stocks on the basis of the retail price prevailing when such stocks were acquired.

SECTION 3. Nothing in this merchandising plan shall be construed to prevent the free and general distribution of articles commonly used for advertising purposes, except in so far as such distribution would constitute, in effect, an additional discount or reduction in price.

Established 1886

*"BEST OF THE BEST"*

OPTIMO CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### NEW REGISTRATIONS

**BARNACLE BILL:—46,315.** For all tobacco products. Stadler Cigar Co., Keokuk, Iowa. April 7, 1934.

**RESIL:—46,416.** For all tobacco products. La Floridana Cigarette Co., Tampa, Fla. March 7, 1934.

**FOUR BAGGER:—46,317.** For all tobacco products. Harvey's, Syracuse, N. Y. March 27, 1934.

**FINFAY:—46,318.** For all tobacco products. Harvey's, Syracuse, N. Y. March 27, 1934.

### TRANSEFERRED REGISTRATION

**PENGUIN:—45,975** (T. M. A.). For all tobacco products. Registered December 28, 1931, by Christian Peper Tobacco Co., St. Louis, Mo. Transferred to Brown & Williamson Tobacco Corp., Louisville, Ky., April 10, 1934.

### RENEWAL REGISTRATIONS

**LA PATRONA:—46,310.** For cigars, cigarettes and tobacco. Consolidated Litho. Corp., Brooklyn, N. Y., March 30, 1934. (Originally registered April 18, 1911, by American Litho. Co., New York, N. Y., predecessors of the Consolidated Litho. Corp.)

**GRANDMONT:—46,311.** For all tobacco products. Consolidated Litho. Corp., Brooklyn, N. Y., March 28, 1934. (Originally registered August 20, 1909, and October 18, 1910, by American Litho. Co., New York, N. Y., predecessors of the Consolidated Litho. Corp.)

**ENCANTO:—46,312.** For all tobacco products. Consolidated Litho. Corp., Brooklyn, N. Y., March 28, 1934. (Originally registered on January 8, 1909, by American Litho. Co., New York, N. Y., predecessors of the Consolidated Litho. Corp.)

**BLENMORE:—46,313.** For all tobacco products. Consolidated Litho. Corp., Brooklyn, N. Y., March 28, 1934. (Originally registered on January 6, 1916, by American Litho. Co., New York, N. Y. predecessors of the Consolidated Litho. Corp.)

**GLENMORE:—46,314.** For all tobacco products. Consolidated Litho. Corp., Brooklyn, N. Y., March 28, 1934. (Originally registered on February 14, 1920, by American Litho. Co., New York, N. Y., predecessors of the Consolidated Litho. Corp.)

### FORD FRICK ON CHESTERFIELD

FORD FRICK, who was signed as announcer for the Chesterfield series starring Rosa Ponselle, Nino Martini, Grete Stueckgold and Andre Kostelanetz' Orchestra and Chorus, has recovered from the throat infection which prevented him from assuming his duties when the program started. He took over the announcing assignment Monday, April 23d, and will be heard every Monday, Wednesday and Saturday from 9 to 9:30 P. M., E. S. T. (E. D. S. T. after April 29th).

Frick was stricken with a sore throat shortly before the series began. It developed into a serious condition necessitating a surgical operation. In the meantime, Hugh Conrad has been announcing the programs.

MAY 15, 1934

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VOLUME 54 No. 10

# THE TOBACCO WORLD

COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
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**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
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*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 MAY 15, 1934 No. 10

*The TOBACCO WORLD has signed the President's agreement and is operating under NRA Code, gladly and wholeheartedly co-operating to the fullest extent in the Administration's effort to promote industrial recovery.*

▲

ONCE there was a rabbit who . . . beat a turtle in a race. And wiggled his whiskers while bragging about it. Imagine his embarrassment when somebody asked him, 'But wasn't that a turtle you beat?' Is he any sillier than those who crow about beating the crippled figures of last year? After all, isn't it how fast the rabbit goes that counts—not what the rabbit beats? If he's running slower than the power in his legs equips him to run, he isn't running fast enough—no matter what he's beating."

▲

HOW'S that for a devastating retort to the misguided executives in the cigar business who have been "wiggling their whiskers while bragging" about the way this year's figures are bounding ahead of last year's? What an unanswerable counterblast to the words of courage which this business paper caught from the lips of Frank Will and published as an editorial, thus earning the commendation of our square-shooting contemporary, *Tobacco Leaf*. It is so pat an answer that it must have been written, sez you, by one of the "clear thinking" cynics in the cigar business, whose name is legion—you know, the men who go out of their way to unearth some depressing conclusion from the most hopeful situation occurring in their industry. You're right, it does sound like a cigar man's talk, but it isn't. There are wet blankets in other lines, too, and we have taken the paragraph at the head of this column from the *Amos Parrish Magazine*, as quoted in the current issue of *Advertising & Selling*. In case you are unfamiliar with the *Amos Parrish Magazine*, please be properly awed by the news that it is issued by an organization whose business is the improvement of other people's business.

Nothing would please us more than to regale you with an exposure of the superficialities of this "clever" paragraph as it would undoubtedly be done by Pinch-hitting Editor Will, but that gentleman is somewhere out on the circuit "crowing about beating the crippled figures of last year," so we'll have to do our best as a substitute rebutter. Here goes:

▲

AS A parable, the analogy between a rabbit beating a turtle and this year's business figures beating last year's, is a swell example of cock-eyed vision and distorted thinking. If you must have a rabbit, Amos, then it might be all right for you to compare his slow going over a muddy track last year with a zippier speed over this year's faster track. Or you might even stick to the turtle, comparing the improvement in its crawling, lumbering gait for the two years. In any case, you must be satisfied with one animal and compare its speeds, for it is the performance of one industry, or one business, which is involved. Your analogy would apply only to the comparison of a fast-moving industry, like automobiles, to a slow-moving one, like, say, suspension-bridge building. It has no relation whatever to the comparative performances, over a two-year period, of one business.

▲

SO, ANSWERING your question, Amos, the whiskers-wiggling, bragging rabbit who beat the turtle in a race *is* a lot sillier than those who crow about beating the crippled figures of last year. Representing the cigar industry as the rabbit (we may be slow, but not quite as lumbersome as a turtle), the fact is that his speed was not anything to boast about last year. Taking courage from a faster speed this year might be in the nature of clutching at straws, were it not for the further fact that last year's rate of speed was not a solitary drop from normal. It was slower than '32, which was slower than '31, which, in turn, was slower than '30, and so on. In other words, our rabbit was gradually growing tortoise-like in his movements. Is it silly, my friend, to feel encouraged if our rabbit stops his slowing-up process and starts to regain his old-time speed?

▲

AFTER all, isn't it how fast the rabbit goes that counts—not what the rabbit beats?" Of course it is, Amos, but you know that the most satisfactory way to determine the rabbit's speed is to compare this year's records with last. As a matter of information, we'd like to know your method of determining how fast the rabbit is going. Certainly you don't tell us when you say, "If he's running slower than the power in his legs equips him to run, he isn't running fast enough—no matter what he's beating." We have no patience with those who are content to lean on the alibi of "conditions" to explain a poor business which might more properly be traceable to laziness, incompetence, lack of initiative, lack of resourcefulness, or any number of other causes, but we are not blind to the circumstance, as Amos Parrish seems to be, that the speed of a horse, or a rabbit, or a business, is affected by the condition of the track and the weather and other influences. We just don't believe that High Quest would have set a new Preakness record at Pimlico last Saturday if the track had been heavy and the sky overcast, no matter how fast "the power in his legs equips him to run."

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

IF THE purpose of the parable was merely to criticize us hopeful souls for jubilating over an improvement which should be accredited, not to any stronger effort on the part of the business racer, but entirely to a faster business track, then Amos Parrish is still wrongheaded in his arraignment. The faster the track becomes, the faster will be the individual contenders, and, inevitably, the faster the average for the entire field. Doesn't that seem like a more sensible way to interpret the comparative figures, Amos?

IN THIS connection, it is significant that the owners of the cigar business stable from which emerged the one-and-one-half-year-old filly pace setter over last year's muddy track (Bayuk Phillies, out of Bayuk Philadelphia Perfecto, by Philadelphia Hand-made) are loudest in their acclaim of this year's faster track. All their promotion last year had for its object the speeding up of the cigar business track for all, on the logical principle that the easier going would help their own entry to travel faster.

# You've Met Miss Sellers. Remember?

STOP in at one of the Marbern chain stores for some cigars (any old kind), and it's a two-to-one bet that you'll come out with a Bayuk product unless you are determined that you want some other brand before you go in." Thus spoke a visitor to the office this morning. He was so impressed by his own experience that we felt obliged to see this super-salesmanship working and to find out, if possible, the "how come" of it. That explains our ante-luncheon call at the Marbern store just around the corner, at 50 South Second Street, one of the outstanding stores of the chain.

As readers of this publication know, this Marbern branch is presided over by that dynamic personality, Miss Sellers, as store manager, and with a very able and pleasant assistant. The store is a model for neatness and the completeness of its varied stock. If you are fortunate enough to arrive at a time when Miss Sellers is not busy with another customer, try asking her for something you would hardly expect her to have in stock. The chances are that she will surprise you by having it right where she can reach it without any unnecessary steps, or if such a thing should happen that it is not in her complete stock you will be the exception if you walk out without something "just as good", for Miss Sellers' long experience behind the retail counter has given her a knowledge of various brands and products that makes her competent to suggest the right article for your requirements.

We do not hesitate to state that if there were more sales people of the calibre of Miss Sellers, there would not be such a cry of poor business among the retail trade.

But what has all this to do with the object of our visit to the store, the discovery of the reason for the selling of Bayuk brands there in gratifying volume? Well, according to Miss Sellers, it is all the result of an address to the Marbern sales force last week by E. R. Sharrock, local sales manager for Bayuk Cigars, Inc., at Marbern headquarters, 103 Church Street. His talk had to do with present-day requirements of behind-the-counter salesman. Mr. Sharrock's long experience in the retail field qualifies him as an authority worth listening to and heeding, and his genial personality enables him to gain the undivided attention of his listeners so that his message becomes unusually effective.

If you want to know why business men from all sections of the city patronize the store at 50 South Second Street, there you have it. We congratulate the executives of the Marbern stores for having had the foresight to obtain the services of a store manager of such a high calibre.

# 10,000 Puerto Rican Sign-up Contracts

THE SIGN-UP of contracts in the tobacco adjustment program for Puerto Rico, the first such plan to be put into effect for an insular possession or territory of the United States, has been completed with a total of 10,000 contracts offered by producers, it was announced today by the Tobacco Section of the Agricultural Adjustment Administration.

The sign-up has placed under contract practically all Puerto Rican producers who are growing tobacco this season. This includes approximately 90 per cent. of those who raised tobacco during the years 1929-1934, the base period under the contract.

The contracts offered to Puerto Rican producers, by which curtailment of the crop being harvested and the acreage to be planted next season is sought, require that growers leave unharvested all of the second and third crops on their acreage this season. For this reduction growers will receive payment at the rate of $10 per cuerda (1.01 acres) where the crop is harvested by "priming" or picking individual leaves, or payments of $15 per cuerda where the crop is harvested by stalk cutting.

J. B. Gibbs, of the Tobacco Section, has been in charge of the sign-up, aided by five district supervisors and by agricultural agents. After the contracts have been examined and accepted for the Secretary of Agriculture by these officials, they will be sent to Washington for final approval and payment, probably about July 1st.

Puerto Rican growers are also asked to reduce acreage planted for the 1934-1935 crop, with a choice of curtailing acreage by 40 per cent., with two crops to be harvested; or by 25 per cent., with only one crop to be harvested. Rental payments of $30 per cuerda on land taken out of production, and an adjustment payment of 30 per cent. of the market value of the crop, will be made.

Approximately $1,750,000 will be distributed to producers participating in the 1933-1934 and 1934-1935 program. The contract contains an option by which reduction may be required in 1935-1936, if held necessary by the Secretary of Agriculture.



# Flue-cured Growers May Increase Acreage or Production

## Unfavorable Weather Conditions Prompt New Ruling

PRODUCERS participating in the 1934 adjustment program for flue-cured tobacco are offered an opportunity to increase acreage or production of tobacco above the amount allotted under the terms of the contract, according to an administrative ruling just announced by the Agricultural Adjustment Administration. Under the ruling, issued because of unfavorable weather conditions in some sections of the flue-cured tobacco belt, producers may increase either their acreage or production, or both, to as much as 80 per cent. of their base, instead of the 70 per cent. allotted under the contract.

Producers who take advantage of this ruling will receive smaller payments than those who grow and market only 70 per cent. of their base.

Where acreage exceeds 70 per cent. of the base, one-third of the amount of rental payments of $17.50 per acre would be deducted from the adjustment payments. The making of rental payments will be completed and all deductions will be made from the adjustment payments due after the 1934 crop is sold. Where the amount of tobacco sold exceeds 70 per cent. of the base tobacco production, the rate of adjustment payments will be varied in accordance with the amount of tobacco sold.

In explaining the ruling, J. B. Hutson, chief of the Tobacco Section, said: "We are giving growers this opportunity to grow and market a slightly larger quantity of flue-cured tobacco because we believe that under the conditions which have recently developed it will result in more total income than would be obtained from a smaller crop. Domestic consumption of flue-cured tobacco has increased during the past few months, and the export movement has been larger, particularly during the past two months, than during the corresponding period of either of the two preceding years. Although most of the increased exports have gone to increase foreign stocks rather than into consumption, it appears that the decline in the consumption of flue-cured types noted during the past two or three years has been checked, at least in some foreign countries.

"With favorable weather conditions, it would have been possible to have obtained the production needed from the acreage originally contemplated. However, with unfavorable weather conditions we believe a slightly larger acreage to be advisable.

"At the time the contract was drawn it was not, of course, possible to anticipate exact crop conditions during the season. However, the ruling demonstrates the flexibility of the adjustment program in adapting itself to changes which may occur, and will enable producers to adjust their acreage and production to fit conditions as they have developed. No doubt many growers will find it to their advantage to continue with the reduction originally planned and receive the larger rental and adjustment payments. Perhaps as many, or more, will find it to their advantage to grow and market 80 per cent. of their base production, and accept the reduced payments.

"If half of the growers market 80 per cent. of their base production and the remainder market 70 per cent. of their base production, the quantity sold by growers signing contracts would be approximately 500 million pounds. This would leave us with a crop this year about as much below the level of consumption as the crop of last year exceeded that level, which is the situation contemplated in our production adjustment program.

"Unfavorable weather conditions also prevail in some sections in which other types of tobacco are grown. However, no change is contemplated at this time in the allotments to growers of other types. The supply situation is less unsatisfactory in the case of most other types than is true of flue-cured tobacco. The excess supply, that is, the stocks in addition to the normal stocks, in the case of flue-cured types is sufficient to last about three months. In the case of the other types, the excess supply is sufficient to last from six months to one year and six months, the latter being true in the case of Burley and some of the cigar leaf types. In the case of these types with the larger excess supplies, a crop materially below the quantity allotted under contracts would result in no shortage of tobacco."

# Co-operating to Protect Manila Prices

CA. BOND, Manila Tobacco Agent in this country, and his co-agent, David F. Morris, who is now engaged in an extensive tour of the Midwest, are operating under cabled instructions from Juan Posadas, Collector of Internal Revenue, to report every instance which may come to their attention of price-cutting below the limits recently announced by Governor General Frank Murphy. Governor General Murphy has announced his intention of "cracking down" on manufacturers who ship inferior grades of Manila cigars to the United States to undersell corresponding grades of cigars made by American manufacturers.

In backing up the Governor General, Collector Posadas issued a circular announcing that he would refuse to pass for shipment to the States cigars to be sold for two for five cents which were priced at less than $16.50 in States which have cigar taxes, and $17.00 in tax-free States. The only exception concerns damaged cigars already here.

The two-fold reason given by Collector Posadas was as follows: First, he is anxious to protect the good name of Manila cigars in the United States; second, he wants to guard against disturbing stable market conditions here at a time when the re-establishment of business prosperity is the country's first thought.

## "IT WON'T BE LONG NOW"

**By William A. Hollingsworth**

IT IS hard to see how anything could arise at this late day to prevent final approval of the retail tobacco Code within the next few days. The Code Committee of Retail Tobacco Dealers of America has been busy in Washington this week conferring with officials of the National Recovery Administration for the purpose of ironing out a few minor differences as to the wording or exact content of certain paragraphs. This work is now practically completed. The truth is that every factor or problem connected with the retail tobacco business has been thoroughly covered by N. R. A. and the Code Committee. This Code, remember, has been under practically constant consideration by N. R. A. for more than ten months. Few Codes have been held so long for analysis and scrutiny; and ours is now one of the few larger industries without a Code.

During the past ten months the retail tobacco Code Committee has gone through the public hearings on the Code. It has sat in numberless conferences with individual officials and with boards and committees of N. R. A. On its own initiative and in response to requests from N. R. A. it has assembled, analyzed and submitted a vast fund of facts and statistics on all conceivable phases of our industry. N. R. A., we feel sure, has before it material that tells it everything that is known about the retail tobacco business.

N. R. A. officials have expressed themselves not only as appreciative of the Code Committee's attitude and work, but also as satisfied with the provisions of the Code.

When you consider, therefore, that General Johnson has repeatedly stated his desire to have every industry of any importance under a Code at the earliest possible date, there is no reason on earth, so far as we can see, for anybody with the country's best interests at heart to expect or to fear further delay in the adoption of the retail tobacco Code.

That is why I say it would be difficult, practically impossible to imagine how anything could come up at this stage to postpone the General's prompt approval of the document and the President's signing it and making it a part of the law of the land.

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## MINIMUM PRICES FOR SHADE TOBACCO

A SCHEDULE of minimum sale prices for Connecticut valley shade-grown tobacco which is expected to give growers returns of approximately 90 per cent. of fair exchange value, or an increase of 25 per cent. over prices of last season, has been approved by Secretary of Agriculture Henry A. Wallace. The price schedule will operate in connection with a marketing agreement and license under which handlers of this type of cigar tobacco are now operating.

The minimum price schedule was formulated and submitted to the Secretary by the control committee in charge of supervision of the marketing agreement and license. The present fair exchange value for this type of tobacco is 87.78 cents per pound. The farm price for this type during the 1932-33 season was fifty-nine cents per pound, or twenty-eight cents below present fair exchange value. The price schedule now in effect represents an increase of approximately 25 per cent. over prevailing prices of last season. The increase is expected to bring farm prices for this shade tobacco to approximately 90 per cent. of fair exchange value.

The minimum prices apply to sales by licensees who are themselves growers of the greater part of the tobacco. Most of the remaining growers have arrangements whereby their tobacco is handled for them under joint account or on a commission basis by the licensees. Thus, the prices received by licensees constitute in almost every instance direct returns to growers.

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## WJK PEPPING FOR GHP

THE Will-Jenks-Kynett Pep squadron is engaged in preaching the gospel of optimism over the immediate future of the cigar business generally and the outlook for El Producto and La Azora cigars specifically, to enthusiastic meetings of salesmen operating within a sleeper-jump of G. H. P. headquarters in Philadelphia. Last Thursday night (the 10th) they spellbound the men of Daniel Loughran & Co., Inc., in Washington, at a meeting attended also by the salesmen from the company's branch in Baltimore. On Saturday morning, the sales force of the Scranton Tobacco Co., got a shot of the now famous Dr. Will's Anti-Blues Serum. Pittsburgh and Buffalo are booked for this week. At each of these general sales meetings, addresses are made by Frank P. Will, executive vice-president of G. H. P.; D. A. Jenks, assistant general sales manager; and H. H. Kynett, of the Aitkin-Kynett advertising agency, who is responsible for the company's "Kynettic" salesmanship in print.

Incidentally, the company's business in April was extraordinarily good, thank you. And that applies to factory shipments and retail sales as well, G. H. P. having a quick reaction on the latter through the company's nine branches, giving a cross-section of consumer business from Maine to the Twin Cities.

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## CHECKS TO MARYLAND GROWERS

THE first of the rental payments to growers who have signed contracts to reduce their 1934 acreage and production of Maryland tobacco by 25 per cent., were disbursed on May 4, it was announced by the tobacco section of the Agricultural Adjustment Administration. The initial block of checks, representing a total of $18,390 to producers, covered 379 contracts which offered 919 acres of reduction.

The adjustment contract for Maryland tobacco was designed principally to reduce production of the lower grades of this type of tobacco, which make up the greatest portion of the existing surplus. A total of 564 contracts have been signed by growers.

Two payments are to be distributed to Maryland tobacco growers. The first, or rental payment, now being distributed, is at the rate of $20 per acre for each acre retired from tobacco production under the contract. After proof of compliance to the provisions of the contract have been presented by producers, an adjustment payment, at the rate of not less than 25 per cent. of the calculated value of the tobacco which might have been grown on the rented acres, is to be distributed.



# Musings of a Cigar Store Indian

**By Chief "Young-Man-Smoke-Cigars"**

SO MUCH interest has been evinced in our transcription of passages from John L. Morrison's "The Passing of the Wooden Indian" in September, 1928, *Scribner's* that we are encouraged to add the following from the same source: "Mr. R. Chapins Comoy, 72 Roseberry Avenue, London, E. C. 1, tells me there are many finely preserved figures of Highlanders still to be seen in England. Most present-day Londoners will remember the old Highland figure which stood outside the shop door of W. Lawrence at the top end of Tottenham Court Road. During the celebration of the South African War this magnificent figure was seized by the University College hospital students and carried shoulder high around the West End, and it was only with great difficulty and by the assistance of the police that Mr. Lawrence was able to secure it. When the premises were demolished, about ten years ago, the figure moved to the doorway of Messrs. Catesby's, Ltd., thereby losing caste, being now 'in linoleum' and not the traditional snuff and tobacco.

ANOTHER figure is a giant with fixed and stony expression which has for many years met the gaze of passers-by at Frederick Wright's, 112 High Street, Cheltenham, while an equally characteristic one adorns an old tobacco business in Whitefriars Hall, near to the street bearing that odd name, 'The Land of Green Ginger.' The only Sir Walter Raleigh the writer knows of is a splendid specimen at the doorway of the Keystone Tobacco Company at the Holborn end of Kingsway, W. C., London. A fine 'black boy' sign more than one hundred years old can be seen at the shop of Messrs. Wilson & Company, 21 Barbican, E. C. However, the sign of this house has always been the ancient three tobacco-rolls. The roll sign is frequently to be met with.

THE wooden Indian reached his greatest vogue in the late fifties, the sixties, seventies and eighties. Bulls' head or steer-horns proclaimed the butcher's shop, menacing bears furriers' showrooms, and no saddlery shop sidewalk was without its piebald or calico horse. There were watches, boots and shocking stockinged legs, the clothier's dummy bedizened by a twelve-dollar non-shrinkable suit. A gigantic hat frequently made known the hatter's place of business. Pedestrians had no right of way on sidewalks; his path was disputed by vegetable offerings, displays and show figures, while sides of beef hung outside, ghastly and naked, whereon flies held conventions, enormously attended, with only a small proportion of the delegates falling victim to the flypaper offerings. It was the era of the fly-brush, but not the fly swatter, as crystallized in the epochal classic of the grieved customer who bought a wedge of apparently black currant pie, only to find it custard. The Chicago, San Francisco and Baltimore fires took nearly all the wooden Indians of those cities to the happy hunting ground. Then came on regulations as to sidewalk obstructions, and this, coupled with the advent of the chain stores, was the greatest blow the wooden Poor Lo ever received, and drove him from his picturesque duties.

THE latter days of the vanishing tribe have brought varied fortunes. Some, as that Bleecker Street giant—more than nine feet—have found good homes on country and suburban estates, standing majestic amid the rhododendrons, and a few watch in city back lawns. Juvenile Wild West attacking forces have done some to death and others to disfigurement for life. College humor is responsible for not a few absent faces; as are 'Sweet Adeline' homeward-bound groups. Marble-hearted owners have occasionally sold their braves for money. A striking, six-foot-eight metal figure, made by Henry Dibblee, Chicago, faces the Black Hawk trail at Rockford, Ill. The noble Indian with shield and spear at Bush & Trexler's, Philadelphia, was, in 1914, sent to the happy hunting ground through fire, after being cruelly hacked to pieces by his owner. The Bucks County, Pennsylvania, Historical Society houses twenty.

RESTING peacefully in the museum of the Western Reserve Historical Society, Cleveland, is an Indian that once disappeared from view and knowledge of all men. Years later workmen employed in the excavation for the Union Trust Company building uncovered a hand and, shocked by the ghastly sight, stampeded. The foreman and volunteers completed the exhumation and brought to life a wooden Indian, who proved to be none other than the old Erie Street warrior of Gregor Albert.

THE lone Indian of Chicago, 'Big Chief Me-Smoke-Em,' is a splendid specimen of wooden Indian sculpture. He has background, having been modeled from an Iroquois chief. Henry Hand, son of the original owner, declares his father told him the Indian was made by one of the world's greatest carvers, and that thousands of real Indians have testified, with looks, nods, grunts, words and purchases of tobacco, to Me-Smoke-Em's resemblance to the chief who served as the artist's model. Descendants of these Indians, when they come to Chicago, never fail to pay the big chief a visit. Me-Smoke-Em

went through the great Chicago fire, rescued from time to time by his owner, and he now holds a rifle that was used by one of the pale-faced sharpshooters against the savage Indians in the massacre at old Fort Dearborn.

MANHATTAN'S sole chief—Phillips B. Thompson's—was saved from the police by a recessed property line, 45th Street just east of Fifth Avenue. It was recently moved to Madison Avenue. He's an outlander from Great Neck. Annie Barrett's Pocahontas, forty years on Water Street, is a native of Cherry Street.

CHIEF SEMLOH, America's farthest-west, and California's oldest, Indian, sentinels the tobacco shop of S. E. Holmes, San Francisco. He is a Manhattan and a Forty-niner, setting out via Cape Horn for Maryville, stage center and outfitting point of the gold rush, where he arrived in 1850. After sixty-seven years he left the gold fields for the bright lights of Powell Street."

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## FIRST CHECKS FOR BURLEY GROWERS

THE writing of checks, to cover rental payments of $20 per acre of reduction to growers who have signed 1934 Burley tobacco adjustment contracts, has started and an initial block of 947 checks, representing $24,334, is in the process of disbursement, it was announced by the tobacco section of the Agricultural Adjustment Administration. These first checks which initiate the distribution of approximately $15,000,000 in rental and adjustment payments to 95,000 growers of Burley tobacco who have contracted to reduce 1934 acreage and production from one-third to one-half of their base, go to participating growers in Smith County, Tenn. The contracts for this county were delivered to the Agricultural Adjustment Administration on May 2, by N. B. Morgan, county agent.

To date, a total of 4276 Burley tobacco contracts, calling for disbursement of $178,132 have been administratively approved and are now in the process of final audit. These contracts, which offer 9906 acres of reduction, are distributed by states, with rental payments involved, as follows: Kentucky, 1960 contracts, $121,150; Tennessee, 1136 contracts, $28,620; West Virginia, 1144 contracts, $27,980; and Virginia, 36 contracts, $382.

Thus far 14,453 Burley tobacco contracts have been received in Washington and recorded by the contract records section. As producers may choose to reduce acreage and production by either one-third or one-half, with several options as to base acreage, the amount of reduction pledged cannot be accurately determined until all of the contracts have been tabulated.

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Charles Bobrow is promoting Bold in Western Pennsylvanina.

## SCRAP AGREEMENT TENTATIVELY APPROVED

A MARKETING agreement under which four tobacco companies would agree to purchase at least an aggregate amount of 18,500,000 pounds of stemming grades of cigar-leaf tobacco at prices approximately 100 per cent. higher than prevailed last season, have been tentatively approved by Secretary of Agriculture Henry A. Wallace. The agreement is now being submitted to Bloch Brothers Tobacco Company, Liggett and Myers Tobacco Company, P. Lorillard Company, and Scotten-Dillon Company, the contracting buyers, for their signatures. These companies manufacture 85 to 90 per cent. of the scrap chewing tobacco, for which the grades of tobacco covered in the agreement are used.

The agreement would be applicable to tobacco grown by producers in New York, Pennsylvania, Ohio, Indiana, Minnesota, Wisconsin, Connecticut, Massachusetts, New Hampshire and Vermont.

The average minimum prices to be paid for the tobacco, which the companies would agree to purchase between December 1, 1933, and June 30, 1934, are: 6 cents per pound for 1933 crop tobacco purchased direct from growers; 6½ cents per pound for 1933 crop tobacco purchased from co-operative marketing associations; 7 cents per pound for tobacco of crops prior to 1933, not stored in a tobacco warehuse, if purchased from growers, or 7½ cents per pound if purchased from co-operatives; 8 cents per pound for tobacco of crops prior to 1933, stored in a tobacco warehouse, if purchased from growers, and 8½ cents per pound, if purchased from co-operatives.

The differential of ½ cent per pound in the price of tobacco purchased from growers and that purchased from co-operatives represents the saving to buyers in dealing with an association of producers. The differentials based on the age and method of storing the tobacco are devised to compensate for the loss in weight accompanying storage.

The proposed prices are almost twice those prevailing last year, and are approximately 50 per cent. higher than prices paid this season before the first conferences with buyers were held in development of the tentative agreement.

The amounts which each of the contracting firms would agree to purchase under the agreement are: Bloch Brothers, 3,000,000 pounds; Liggett and Myers, 4,000,000 pounds; P. Lorillard Company, 7,500,000; Scotten-Dillon Company, 4,000,000 pounds. This total quantity, according to officials of the tobacco section of the Agricultural Adjustment Administration, is somewhat larger than the 1933 production of these grades, and represents a greater volume of purchases than was probable without an agreement.

In the event of a deficiency in the quantity purchased, a penalty of 2 cents per pound of such deficiency is to be paid the Secretary of Agriculture, and in the event of a price deficiency in purchases under the agreement, the difference between the minimum price and the actual amount paid is to be paid to the Secretary.

Buyers may purchase in the ordinary manner, but are required to refrain from undue buyings of the highest grades.

On acceptance by the contracting buyers and final signature by the Secretary, the agreement will become effective, as of December 1, 1933.

Copyright, 1934, R. J. Reynolds Tobacco Company

**Watch out for the signs of jangled nerves**

You've noticed other people's nervous habits—and wondered probably why such people didn't learn to control themselves.

But have you ever stopped to think that *you*, too, may have habits that are just as irritating to other people as those of the key juggler or coin jingler are to you?

And more important than that, those habits are a sign of jangled nerves. And jangled nerves are the signal to stop and check up on yourself.

**Get enough sleep—fresh air—recreation—and watch your smoking.**

**Remember, you can smoke as many Camels as you want. Their costlier tobaccos *never* jangle the nerves.**

**FREE Game Book**

Shows 20 ways to test nerves—all illustrated. Instructive and amusing! Try them on your friends—see if *you* have healthy nerves yourself... Mail order-blank below with fronts from 2 packs of Camels. Free book comes postpaid.

**CLIP AND MAIL TODAY!**

R. J. Reynolds Tobacco Company
Dept. 112-A, Winston-Salem, N. C.

I enclose fronts from 2 packs of Camels. Send me book of nerve tests postpaid.

Name.....
(PRINT NAME)
Street.....
City..... State.....
Offer expires December 31, 1934

*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

**CAMELS— SMOKE AS MANY AS YOU WANT... THEY NEVER GET ON YOUR NERVES!**

TUNE IN! *CAMEL CARAVAN with Casa Loma Orchestra, Stoopnagle and Budd, Connie Boswell, Every Tuesday and Thursday at 9 P. M., E.S.T.—8 P. M., C.S.T.—7 P. M., M.S.T.—6 P. M., P.S.T., over WABC-Columbia Network*

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

NEW revenue to the extent of $417,000,000 a year will be raised by the new tax law signed May 10 by President Roosevelt. From the standpoint of the tobacco industry, the most important provision in the new law is that which applies higher taxes to the "long" cigarettes recently put on the market—four of which can be cut by the purchaser to equal a package of 20—in an effort to evade payment of part of the tax. The law continues the $3 per 1000 tax on cigarettes weighing not more than three pounds per 1000 and the rate of $7.20 per 1000 on heavier cigarettes, but provides that "if more than 6½ inches in length they shall be taxable at the rate provided in the preceding paragraph ($3 per 1000), counting each 2¾ inches (or fraction thereof) of the length of each as one cigarette."

A feature of the law is a new publicity provision, under which every taxpayer will be required to file with his return a separate statement showing his name and address, total gross income, total deductions, net income, total credits against net income and the tax payable. This statement is to be made available for public examination under regulations to be prescribed by the Treasury Department.

Under the law, the Treasury will secure $95,000,000 a year from the readoption of the capital stock tax, $90,000,000 from the estate tax, $6,000,000 from the gift tax and $25,000,000 from changes in income tax rates. Revision of the capital gain and loss provisions will return $30,000,000, taxation of personal holding companies will provide $20,000,000, and $10,000,000 will be secured from provisions on reorganizations, $35,000,000 from changes in consolidated return provisions, $5,000,000 from partnership amendments and $38,000,000 from miscellaneous changes.

The additional revenue thus secured will be reduced by $22,000,000 loss through relaxation of the excise taxes on soft drinks, candy, furs and jewelry, and the tax on produce futures.

ARGUMENTS on the question of whether traveling salesmen shall be placed under the codes for their particular trades and industries will be heard by Deputy Administrator Kenneth Dameron of the National Recovery Act May 24. At the same time, consideration will be given the problem of outside salesmen engaged in retail distribution, whether employed by retail stores or by national organizations. The question of code coverage for traveling salesmen has perplexed the recovery administration practically ever since it began its work of codifying industry. At the early hearings, representatives of the salesmen asked that they be given a minimum wage in the codes, but were refused by administration officials who at that time were seeking to provide minimum wages and maximum hours for unskilled labor only.

As additional codes were submitted, however, it was found that in many instances lengthy schedules were incorporated fixing wages for all classes of skilled labor, and the administration now believes that it may be possible to provide a classification for salesmen.

SPURRED by the approval of the President, both Senate and House of Representatives are moving to expedite enactment of legislation authorizing the Reconstruction Finance Corporation to make loans direct to industry and the Federal Reserve Banks to rediscount long-term commercial paper. Approximately $750,000,000 in new capital will be thrown into industry through the two agencies, it is estimated.

Under an omnibus measure which has been prepared, incorporating various proposals advanced in bills introduced in both Houses, the Reconstruction Finance Corporation would be authorized to advance money on promissory notes, acceptances, rediscounts or otherwise, until January 31 next, to any established industrial or commercial business to enable it to obtain working capital, reduce or refinance its outstanding indebtedness, or make plant improvements or replacements. Such loans would run for periods as long as five years.

The Administration's approval of the project was made known by Jesse H. Jones, chairman of the R. F. C., in a letter to Representative Prall of New York, chairman of the House subcommittee in charge of the legislation.

"I am authorized by the President to say that he favors the R. F. C. being given authority to lend to industry, and that he especially wants these smaller and medium-sized industries given a full chance to survive on equal terms with the larger industries," Mr. Jones wrote.

"In advocating that the R. F. C. be authorized to make such loans it is not with a view to duplicating any similar authority given the Federal Reserve

(*Continued on Page 17*)

*...here it is in a nutshell*

"THERE are just about three common-sense questions to ask about pipe tobacco:

'First, is it made to smoke in a pipe?

"Is it cut in big enough flakes to smoke cool and mild?

"Does it have a pleasing flavor that leaves you hankering for more?

"I guess I've been smoking pipes for as many years as you've been born, and when it comes to pipe tobacco . . . here it is in a nutshell. Smoke Granger."

**Granger Rough Cut**

**the pipe tobacco that's MILD**
**the pipe tobacco that's COOL**
***—folks seem to like it***

© 1934, LIGGETT & MYERS TOBACCO CO.

# About Smoking

**By Emily Post**

A READER takes me to task: "My dear Mrs. Post: Six months ago our club wrote you collectively asking that you devote a Sunday article to the discourtesies of those who smoke unabashed in public places. It is not to be wondered at that men no longer refrain from smoking in the presence of ladies, since many of those who otherwise have the appearance of ladies smoke even more offensively than the men.

"In elevators, for example, men do at least take their cigars out of their mouths and often try to keep the smoke out of women passengers' eyes. But in hotels women are likely as not to go on smoking, and while talking with a friend pay no attention to where or how they hold a lighted cigarette. I have several times had my dress burned. Won't you please explain that both cigars and cigarettes should be discarded before entering a crowded elevator! Won't you please protest against the impossibility of enjoying a meal in a restaurant, or of going almost any place of amusement, when handicapped by pests who smoke? Isn't it really high time to set definite rules for these offenses to etiquette?

♧ ♧ ♧

IN answer then, I agree that it is perhaps time to define, within reasonable boundaries, the politeness of smoking. But to the first protest you make I must reply that it does not seem quite fair to ask any man to throw away a perfectly good cigar every time he gets into an elevator, nor even that a woman must finish her cigarette before getting into the elevator of a hotel. The smoke in the mezzanine seats at certain movies and at theaters that permit smoking in the orchestra, is very trying to those of us whose eyes and throats are easily affected. But the answer is that we need not sit in these places if the annoyance, whatever it be, overbalances the pleasure that has induced us to venture among the smokers.

The first point that must be made is that in all large cities the odds are against those of us who do not like to smoke. If ten people hated it to every one who liked it, that would be one thing; but where the smokers greatly outnumber the non-smokers, I really think the only thing we can do is to profit by the song about the sneezing baby in the pepper-filled kitchen:

"I speak severely to my boy,
I beat him when he sneezes,
For he can thoroughly enjoy
The pepper when he pleases."

In other words, those who have not acquired the habit of smoking might as well make up their minds that they can perfectly endure an atmosphere of smoke, and be pleased about it, because they are going to have to endure it most of the time.

BUT while I agree that the few have no right to interfere with the pleasure of the many, there are certain requirements of propriety and of consideration for others that those who smoke must observe. First of all, it is unforgivable to lay a cigarette, or cigar, on the edge of a table or other piece of furniture, ever! Forgetting it and letting it burn a charred groove on a table edge, or make a brown scar on a marble mantel is merely the result of putting it down on wrong places to begin with. Find an ash tray to lay it on, or ask for one. Never press a cigarette out without being sure that the object pressed on is intended for that purpose.

♧ ♧ ♧

IN THE category of mere annoyances are all the untidiness of average smokers, such as spilling ashes on the floor and knocking them off into any and all of the parlor ornaments. Surely you can look around for something that is obviously an ash receiver, and, failing to find it, ask your hostess. If she seems reluctant to provide you with an ash tray, or tells you she has none, stop smoking and carry the offending object outdoors, if possible, or wherever you can best kill it and bury it.

Another detail, very hard to write about, is that of the people whose skins seem to absorb the odor of nicotine. On the other hand, it is true that others can smoke incessantly and yet never carry a trace of nicotine with them. Their secret is probably that of counter-balancing their smoking habit, with that of the toothbrush and nail-brush habit. Excellent nicotine precaution also is the use of long holders. Or even better, a continual supply of fresh holders made of paper. It must be added that the very long holder in the hands of the inexpert is a little like the match head sent flying by the reckless lighter, one is never sure when or what may be burned by the lighted end.

(The foregoing is from Emily Post's daily column, "Social Good Taste," appearing in *The Philadelphia Inquirer*.)

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### OLD GOLD'S "QUESTAMONIALS"

ALTHOUGH the Old Gold radio program has gone off the air for the summer months, a strong advertising campaign will continue to run in leading newspapers. Adding to its list of outstanding advertising campaigns P. Lorillard Company, early this month, inaugurated a new series of "Questamonial" advertisements, featuring screen and stage celebrities. The first advertisement showed Adolph Menjou asking the question—"Why are Old Golds so easy on the throat . . . so cool and biteless?" This inquiry the Lorillard Company answered in an open letter. Other stars to be featured in this series are Helen Hayes, George Raft and many others.

Old Gold's summer campaign is one of the most extensive to be released in recent years.

*Dealers say:*

**"El Producto appeals to my pocketbook—it always builds profitable quality business."**

G. H. P. CIGAR CO., INC., PHILA., PA.

**EL PRODUCTO**
*for real enjoyment* 10 *cents* AND UP

# 90% Of Growers Under Burley Contracts

TABULATION of reports from state offices indicates that producers have offered to the Agricultural Adjustment Administration about 95,000 contracts for Burley tobacco acreage and production reduction. These contracts cover 90 per cent. of the eligible farms. The number of contracts signed in the Burley sign-up campaign, which closed February 17, is within 10,000 of the number signed in the flue-cured tobacco program.

The distribution of signed contracts, by States, is approximately as follows: Kentucky, 49,000; Tennessee, 25,900; North Carolina, 3500; Virginia, 5000; West Virginia, 1400; Ohio, 5220; Indiana, 2400; and Missouri, 900.

Approximately 3057 of the Burley contracts have been received by the contract records section in Washington, and are now being passed upon for acceptance and approval for rental payments.

Adjustments necessary to bring producers' statements of acreage and production on their contract in line with official acreage and production data have been under way since the close of the campaign. In some instances where acreage figures appear to be out of line contracts are being held until actual measurement of the land can be made. The flow of the contracts to Washington, and the speed at which the payments of $20 per acre on land taken out of production will be distributed, depend upon the co-operation of individual producers with the county committees in adjusting contracts and correcting any errors, it was pointed out by the tobacco section. The first contracts to be cleared by state offices, the last step before contracts are sent to Washington, are those in which acreage and production figures have been substantiated by acceptable documentary evidence furnished by the producers.

The tobacco marketing cards, submitted by growers, will in most cases accompany the contracts to Washington, so that allotments of production may be made at the same time as are acreage allotments. As rapidly as contracts are accepted these allotments will be determined. Compliance with the acreage allotment will be checked this summer, and compliance as to the production allotment will be determined after the 1934 crop is harvested.

In cases where all the merchantable tobacco of the 1933 crop has not been sold, arrangements have been made for the marketing cards to be held in the county offices until appraisals of the unsold portion have been made. The quantity of unsold merchantable tobacco covered by such an appraisal will be entered upon the marketing card and may be used in determining the base tobacco production. This appraisal work will be done by appraisers of the tobacco section.

The value of the unsold portion of Burley tobacco as determined by appraisal will be entered upon the marketing card in lieu of the net market receipts and will be used as a basis for the first adjustment payment.

# Farmers' Tobacco Income Doubled

THE total income of farmers from tobacco grown in the United States during the 1933-34 marketing year will reach approximately 214 million dollars an increase of over 100 per cent. over the returns from sales of the previous season, according to an estimate released by the tobacco section of the Agricultural Adjustment Administration. Included in this estimate are payments amounting to twenty-eight million dollars accruing to producers who operate under tobacco acreage and production adjustment contracts. Market receipts for the 1933-34 sales season are expected to total 186 million dollars as against 105 million dollars for the 1932-33 season.

Prices per pound for all types of tobacco combined have averaged about 25 per cent. higher during the current season than during the previous season, despite the fact that the crop offered upon the market this year is about 200 million pounds, or 16 per cent., above world consumption, while that of the 1932-33 sales year was approximately 200 million pounds below world consumption.

The higher returns to producers have been made possible, officials of the tobacco section point out, because of the prompt action of a large percentage of tobacco growers in contracting to reduce 1934 production as much below the level of consumption as the crop marketed this year exceeds that level. Also, domestic manufacturers have entered into marketing agreements negotiated by the Agricultural Adjustment Administration, in which they have agreed to increase prices to producers.

Growers of flue-cured tobacco have enjoyed the greatest increase in income, according to the tobacco section. The 1933 crop of 735 million pounds, which is more than 100 million pounds in excess of last year's consumption, brought growers about 112 million dollars, or two and one-half times the returns from the previous crop. In addition to increased market receipts, over 100,000 growers of flue-cured tobacco will share in the distribution of $8,600,000 in rental, adjustment and price-equalizing payments in return for participating in the program to curtain flue-cured tobacco production by 30 per cent. in 1934.

The income to growers of Burley tobacco from market receipts is approximately forty million dollars, which is slightly more than these growers received during the 1932-33 season. However, distribution of fifteen million dollars in rental and adjustment payments to growers who have signed contracts to reduce Burley tobacco production in 1934, will begin within the next few weeks and will increase the total income by approximately 28 per cent. over that of last year.

Market receipts from fire-cured and dark air-cured types of tobacco during the current season are estimated to be fourteen million dollars and represents an increase of about 55 per cent. over the 1932-33 returns to growers. Rental and adjustment payments of approximately $1,600,000 will be distributed to growers of these types of tobacco.

Income from sales of Maryland tobacco will be increased by about 10 per cent., to a total of $4,600,000 for the current season. To this income will be added approximately $70,000 in payments to growers for participating in adjustment plans.

Cigar-leaf tobacco growers' incomes from tobacco sales during the 1933-34 season are estimated at $10,-500,000 as compared with $8,193,000 during the previous season. As a result of the 1933 adjustment program for this type of tobacco in which 75 per cent. of the growers participated, production was held below consumption for the first time since 1930, resulting in a slight reduction in carry over. The cigar tobacco adjustment plan is being continued for 1934, and it is anticipated that further reductions in acreage and production will be made. In addition to the increased returns from the sale of the 1933 crop, contracting growers of cigar-leaf tobacco are receiving $2,500,000 in payments, of which over $1,634,818 has already been distributed.

# All Georgia-Florida Growers Under Plan

A COMPLETE sign-up of adjustment contracts, covering 100 per cent. of the 1934 acreage of Georgia-Florida shade-grown, cigar-leaf tobacco, was reported by the tobacco section of the Agricultural Adjustment Administration. The contracts, offered by all of the 159 growers who are producing this type of tobacco in 1934, will result in restriction of production by one-third of the average production for the past five years.

The large proportion of the growers of this type of tobacco, who took part in the cigar-leaf adjustment plan for 1933, were notified December 27 that the Secretary of Agriculture would exercise his option under the original contract to continue reductions in 1934. At that time new contracts ratifying the option, and offering an opportunity for additional growers to participate were issued.

For their co-operation in the 1934 adjustment program growers will receive approximately $120,000. The first payment will be at the rate of $30 per acre on tobacco harvested, to be made before September 1. The second payment of $30 per acre will be made after proof of compliance to the terms of the contract has been submitted by producers and accepted by the Agricultural Adjustment Administration.

Acreage reduction for 1934 is brought about by making an acreage allotment to each producer. This allotment is equal to the average acreage from which tobacco was harvested in the years 1929-33, inclusive, unless the average acreage exceeds five acres. If the average acreage exceeds five acres, the allotment amounts to two-thirds of the average.

Production is restricted under the contract terms by requiring that the four top leaves of each tobacco stalk be left unharvested. As the top leaves make up the lower grades, which constitute a large part of the present excess supply, a selective reduction is brought about.

Growers have been alloted a total of 2017 acres on which tobacco can be grown this season, and production is restricted to a total of 1,816,200 pounds, or 5 per cent. below consumption during the past year.

## BAYUK BUSINESS BITS

THE following new distributors have been appointed by Bayuk Cigars, Inc.: Beck & Mahlstead, Kenosha, Wis.; J. E. Goold & Co., Portland, Me.; Rockland Wholesale Co., Rockland, Me.; H. C. Shrink & Son, Ludington, Mich. . . . In conjunction with W. H. Schulte, B. S. (Bayuk salesman to you) the Knauff Cigar Co., Sheboygan, Wis., has just completed a successful drive on Bayuk Phillies for that territory. . . . Harry Catlin, associated with the Bayuk sales department, has just returned from Chicago, bringing back with him glowing reports of the increased demand being developed for Phillies in the Windy City through Zolla Brothers, the distributors. . . . B. W. Burnside has returned to headquarters, after having spent four weeks in Pittsburgh, highly enthused over the way Bayuk Phillies continue to forge ahead in sales in that sector.

Benjamin Lumley is away on a trip through northern New Jersey in the interest of his brand, Garcia y Vega, which has been showing a nice increase in recent months.

James Heaney, sales representative for the American Tobacco Company, was in town last week promoting Antonio y Cleopatra cigars through Yahn & McDonnell. William Anderson, recently appointed sales representative for the American Tobacco Company's high-grade cigars, is doing a splendid job, and distribution and sales are increasing.

Mannie Perez, of Marcelino Perez & Co., Tampa manufacturers of Redencion and other high-grade clear Havana brands, was in town last week, and visited Yahn & McDonnell, local distributors. Now that business definitely is on the "up-grade" Mannie is wearing that "I-told-you-so" smile.

By one of the happy coincidences of business, George Zifferblatt was calling on the Linker Cigar Co., in Louisville, on the day of the Kentucky Derby. Did he see Cavalcade capture the turf classic? Dunt esk. Before returning to Philadelphia, he covered Indianapolis, Chicago, Milwaukee and other distributing points. Judging from the broad smile when he got back, he either did a thriving job on Habanello on the trip—or had a wad down on Cavalcade's nose—or both.

## Trade Notes

Medalist sales are showing an increase in this market since the advent of the new and more generous sizes.

Marcello cigars, one of the "Independent" brands featured and controlled by Yahn & McDonnell, are continuing their increase in popularity.

Cards are being featured in the better retail stands throughout the city showing W. C. Fields, famous motion picture comedian, and Mr. Fields is telling the world why Hollywood stars prefer Optimo cigars.

Yahn & McDonnell stands are featuring window displays of the Sano cigar, cigarettes, and smoking tobaccos this week and new customers are being won for this brand daily.

William Lesher, factory representative of John Swisher & Son., Jacksonville, Fla., was in town this week and visited Yahn & McDonnell, local distributors of the King Edward.

John Flanigan, manager of the M. J. Dalton store at 617 Chestnut Street, is featuring a window display of better grade pipes and smoking tobaccos this week with considerable success.

George Stocking, Arango y Arango, is expected in Philadelphia this week, and John Wagner & Sons are ready for him with glowing reports of the increase in Don Sebastian sales.

Polar cigarettes, the new mentholated product of the P. Lorillard Co., are being featured in the stands around the city and are being well received by consumers. The new brand retails at fifteen cents a package of twenty cigarettes.

The Sweetwood cigarette holder is being featured in the M. J. Dalton store, 617 Chestnut Street, with good results. This holder consists of a wooden mouthpiece to which is attached a paper holder for the cigarette, and is packed in a sanitary cellophaned package of four holders retailing at 10 cents per package.

# Filler and Binder Adjustment Approved

SECRETARY of Agriculture Henry A. Wallace has approved a 1934 adjustment program for filler and binder types of cigar-leaf tobacco, announcing that he would exercise the option contained in the 1933 adjustment contracts requring acreage reductions to be continued this season. It was also announced that growers who did not participate in the 1933 adjustment plan would be given an opportunity to sign contracts.

The new program, it is estimated, will reduce the acreage of filler and binder cigar-leaf types in the Miami Valley, Wisconsin-Minnesota, Pennsylvania-New York, and New Engalnd areas, to about 50 per cent. of the 1932 acreage.

Pennsylvania-New York producers on the basis of 100 per cent. participation in this season's reduction plan will receive approximately $1,364,000 in all payments for 1934 performance.

The program offered for 1934 differs from the original cigar-leaf tobacco program in that producers now have the option of keeping either one-third, one-half, or their entire base acreage out of production, and have two additional choices in the determination of base acreage.

Those growers who participated in the 1933 reduction program may obtain a "supplemental first payment," amounting to $4 per acre, by accepting the new revisions as a supplement to their original contract, and submitting satisfactory evidence that payments made to them last season were divided with share-tenants.

All participants in the 1933 plan, who do not wish to accept the revision as a part of their contract are required, under the decision of the Secretary that the program continue, to maintain the 50 per cent. reduction made by them last season, for which they will receive payments on the same basis as in 1933. Such growers will not sign any supplement to their 1933 contracts.

Contracting producers will be required to limit the use of the land taken out of production of tobacco. No crops for sale can be grown on such land, but feed or food crops directly or indirectly for home consumption will be permitted on one-half of contract acreage. The remainder must be left idle or can be planted to erosion-preventing or soil-improving crops. If no harvested crop is grown on the contracted acreage, the entire acreage may be used for pasturage of livestock for consumption or use on the farm.

The total acreage planted to crops for harvest in 1934 in addition to the contracted acreage, cannot exceed the acreage of 1932 or 1933, whichever is greater, while the acreage of any basic commodity crop on the farm cannot be increased over that of 1932 or 1933, whichever is greater.

Other revisions carried in the supplement to the contract require that there be no reduction in the number of share-tenants on the farm, and provide for equitable division of the second payment with tenants. All new participants must sign the supplement.

The choices for base acreage in the 1933 contract were as follows: (a) 80 per cent. of the average acreage planted to tobacco on the farm in 1931 and 1932; (b) the entire acreage of tobacco in 1932, provided that this acreage did not exceed that of 1931; (c) the average acreage planted to tobacco in 1931 and 1932, provided that the tobacco planted in 1932 was greater than that in 1931. The new choices now offered in addition to the old ones are: (d) two-thirds of the acreage planted to tobacco in 1931; and (e) one-half of the acreage planted to tobacco in 1930.

The first payment will be at the rate of $24 per acre of reduction required under the option chosen. The rate of the second payment will vary according to the market value of the crop harvested in 1934, and the option chosen as to amount of reduction. In all cases minimum payments per acre are specified.

A grower who elects to reduce his acreage by 100 per cent. will receive payments on his entire base acreage; the first payment at $24 per acre, and the second at $8.50 per acre. If the producer has participated in the 1933 reduction program and becomes eligible for the supplemental payment, he will receive $4 per acre in addition to other payments.

A grower who chooses the 50 per cent. reduction will receive payments on half of his base acreage; the first payment at the rate of $24 per acre, and the second payment for each acre will be 40 per cent. of the average value of each acre of tobacco harvested by such grower in 1934, with a minimum rate of $17 per acre. In case the supplemental payment is received, it will be made on one-half of the base acreage.

The grower who selects the option for 33-1/3 per cent. reduction from his base will receive $24 per acre on one-third of his base acreage in the first payment; with a second payment for each acre equal to 35 per cent. of the average value of each acre of tobacco harvested by such grower from his base acreage in 1934, with the minimum second payment placed at $14 per acre. The supplemental payment will be made, if the grower qualifies, on the same acreage as the other payments.

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## TAMPA PRODUCTION INCREASING

Production of cigars, all classes, in Tampa factories during the month of April, 1934, totaled 23,664,496, as compared with 23,383,380 for the same month of 1933. March, 1934 production was 25,570,000 cigars.

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A proposal to conduct a cigar slogan contest as a means of stimulating cigar smoking was voted down at a meeting of the New York Leaf Tobacco Board of Trade at a lively and well-attended meeting on May 10.

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I. B. White, manager of the Cigar Department of John Wagner & Sons, has just returned from a trip through eastern Pennsylvania in the interest of their brands and reports a very successful trip. There is evidence of a substantial increase in demand for Class C merchandise, and their Monticello brand is enjoying its full share of this increase.

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Twenty-three new members were added to the Retail Tobacco Dealers of Philadelphia at a meeting in the Hotel Adelphia on May 3. William A. Hollingsworth, president of the Retail Tobacco Dealers of America, Inc., came up from Washington to give the latest information on the pending code. C. Pickett, secretary of the Retail Association of Druggists, spoke on the necessity of organization.



## News from Congress

(Continued from Page 10)

banks, but to supplement that authority and keep open as many avenues for such credit as possible.

"There is undoubtedly a need of credit for small and medium-sized industries, and while some of the loans will carry more than the usual credit risk, unless the demand is met our relief problems will continue to multiply. A dollar loaned is certainly better than one given in relief, and such loans can be made with little ultimate loss.

"The R. F. C. has been dealing with all kinds of credit problems for more than two years, and while we have no desire to continue lending a moment longer than is necessary, there seems no good reason why our experience and facilities should not be made available to this class of citizenship until credit is actually being otherwise extended."

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## FLUE-CURED GROWERS GET TWO AND ONE-HALF MILLION

A TOTAL of 46,379 checks, representing $2,626,522 in rental and price equalizing payments, had been disbursed up to April 24th to growers participating in the program to reduce by 30 per cent. their 1934 acreage and production of flue-cured tobacco, it was announced by the Agricultural Adjustment Administration.

Of the total checks issued, 32,390, amounting to $1,359,975, are in payment for rental of acreage taken out of production, while 13,989 checks totaling $1,266,546, are price-equalizing payments, available to contracting producers who sold their 1933 tobacco before the marked rise in prices.

The payments were divided among states, as follows: Florida, $23,682 rental payments, and $41,111 price-equalizing payments; Georgia, $187,460 rental, and $458,689 price-equalizing payments; North Carolina, $703,869 rental, and $325,561 price-equalizing payments; South Carolina, $181,888 rental, and $441,022 price-equalizing payments; and Virginia, $263,075 rental, and $161 price-equalizing payments.

To date, over 86,200 adjustment contracts for flue-cured tobacco, together with 40,600 applications for price-equalizing payments have been received in Washington and recorded by the contract records section. Of those contracts received thus far, 69,370 have been administratively approved for payment, as have also 31,181 applications for price-equalizing payments.

Officials of the tobacco section expect that the balance of the 105,000 contracts offered in the flue-cured sign-up will be received in Washington for examination and acceptance within the next few weeks. Growers participating in the 1934 flue-cured tobacco adjustment program will receive a total of approximately $17,000,000 in rental, adjustment and price-equalizing payments. Of this amount more than $8,000,000 is being paid this spring.

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Antonio y Cleopatra cigars are being featured in Yahn & McDonnell stands, and other retail stands throughout the city with four new sizes with punctured heads. This innovation is proving popular with the discriminating smokers.

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

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CLIFFORD N. DAWSON, Buffalo, N. Y. ..... Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

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RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

MORRIS LEVITONE ..... President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. ..... Secretary

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Established 1886

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

OUR HIGH-GRADE NON-EVAPORATING

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### NEW REGISTRATION

HAVA BOY:—46,321. For cigars, cigarettes and tobacco. April 30, 1934. Consolidated Litho. Corp., Brooklyn, N. Y.

### TRANSFERRED REGISTRATIONS

MELLO-GLO:—46,296 (Tobacco Merchants' Association). For all tobacco products. Registered January 23, 1934, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to Havatampa Cigar Co., Tampa, Fla., March 26th, 1934.

SMOKE KING:—24,185 (Trade-Mark Record). For cigars. Registered March 13, 1901, by American Label Co., New York, N. Y. Transferred to Morris S. Kayner, New York, N. Y., and re-transferred to Twentieth Century Cigar Corp., New York, N. Y., April 24, 1934.

SILVER BOW CLUB:—35,207 (United Registration Bureau). For cigars. Registered November 27, 1908, by Adolph Blank, Butte, Mont. Transferred to B. Feifer & Co., New York, N. Y., and re-transferred to M. Rosen, New York, N. Y., April 24, 1934.

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The Wagner brand is forging ahead here since the advent of the addition of several new sizes to the line.

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Frank Swick, president of Health Cigar Co., and of Simpson, Studwell & Swick, stopped off in Philadelphia, previous to embarking on an extensive trip through the West.

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John McGuerty, of Romeo y Julieta, dropped in on his local distributor (John Wagner & Sons) to report a great improvement in demand for his brand, and also reported that shipments from Cuba were now arriving regularly, although not in sufficient quantity to meet the increasing demand.

"What a welcome visitor THE TOBACCO WORLD must be to wholesalers and retailers!

"If they are only half as interested in reading it as we ourselves are, we're glad our ad is in it regularly"—

*says an advertiser.*

JUNE 1, 1934

VOLUME 54 — No. 11

# THE TOBACCO WORLD

RECEIVED JUN 6 - 1934 U. S. Department of Agriculture

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
*Cincinnati, Ohio*

**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
*Chicago, Ill.*
*Detroit, Mich.*
*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol 54 JUNE 1, 1934 No. 11

HERE'S where we beat the pessimists to it. The April withdrawal figures reveal a loss for snuff of 7 per cent. and a loss for manufactured tobacco of 5 1/3 per cent. Those are the only figures over which the calamity howlers can gloat, so let's escort them into the crying room, hand them their crying towels, and leave them alone to enjoy their bad health. There can be but little solace for them in these minor losses; certainly the manufacturers in those two classifications are not worrying unduly.

But, my frands, look over the other figures, not only for the month of April (page 10), but also for the ten months' withdrawals (page 17). Look over the cigar figures, each bracket and the total. Look over the cigarette figures in each division.

GAZE down these percentage gains for cigars: Class A, 10.83 per cent.; Class B, 34.17 per cent.; Class C, 16.28 per cent.; Class D, 8.90 per cent.; Class E, 11.78 per cent. They total up to 11.62 per cent. (38,813,616 more regular cigars) than were manufactured last year. Not to be outdone, little cigars made the unprecedented gain of 57.23 per cent., or, in other words, 6,522,575 cigars.

Cigarettes gained 16.57 per cent.

THEN gaze down the ten-months' table. If you are not a confirmed grouch, you will be tempted to throw your hat in the air and exclaim: "Oh boy, at last we have turned the corner of the tobacco road!"

Just to make yourself feel better still, ponder over the accumulated record for the first four months of this year. Cigarettes show a gain of 6,855,125,257 (that's getting close to seven billion, y'understand), or 17.45 per cent. Cigars increased to the tune of 140,349,523 (140 million plus), or 10.43 per cent.

Things are looking up in our business!

FATHER'S Day will be celebrated on Sunday, June 17th. If there is one class of merchandise peculiarly appropriate as a gift to dad in celebration of his day, it is precisely that merchandise which is offered for sale in cigar stores—cigars, cigarettes, smoking tobacco, pipes, lighters, etc. If there is not a substantial volume of sales of these tobacco and allied products directly due to the occurrence of Father's Day, it will be solely because those engaged in the manufacture, wholesaling and retailing of tobacco products are not as good business men as those engaged in the flower and candy businesses, who make plenty on the celebration of Mother's Day. Are you willing to admit, Mr. Manufacturer, that the nurseryman or the candy-maker have something on you in business acumen? Are you willing to admit, Mr. Jobber, that the wholesalers of flowers and candy are better sales promoters than you are? Are you willing to admit, Mr. Retailer, that you should take your hat off to the florist or the candy store proprietor when it comes to taking advantage of a situation made to order for the benefit of your business? On the answers to those questions depends the volume of extra business that will result from the observance of Father's Day.

EVER get a swell idea and then discover that somebody else has identically the same idea and has put it forth in better style than you could dream of doing it yourself? That's exactly what has happened in connection with what we fondly imagined were some original thoughts about summer slumps. *Printers' Ink* has turned the trick so well that we have more than the ordinary pleasure in reproducing its expression of the idea: "We fear that our warning comes too late; but here it is almost June, and American business is away behind in its plans for this summer's summer slumping.

"A good slump, a slump of which management may be proud, a slump that, on a chart, really looks like something—such a slump must be deliberate. A first-class slump doesn't just happen. It needs to be roughed out in conference, polished in committee, written into the budget, and then carried out, vigorously, by the general executives, the department heads and all the subordinates. Indeed, to insure perfection in execution, perhaps the whole thing ought to be embodied carefully in a summer-slumping manual.

CERTAINLY, tradition dictates that, as the first step toward bringing about a dog-day's drop in volume, advertisers must curtail their advertising. A more positive expedient—and one that hasn't been tried thus far, because, seemingly, no one has thought of it—would be to switch the copy theme to read: "Customers: Please don't disturb us during June, July and August. We'll be slumping."

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

"Yet we fear that neither advertising curtailment nor a direct appeal to customers asking them not to buy, will do any good now. For advertising, instead of running down, has been gathering momentum. Advertising volume is increasing.

"Possibly business will be able to achieve something of a slump, anyway. But, from this distance, it seems destined to be nothing better than makeshift.

"In fact, we shall go further and predict that, as compared with the slumps of other years, this one will be a flat failure."

# "Bill" Hollingsworth Gets Swell Dinner

IN TENDERING this dinner it is our hope that you will accept the same as a slight token of the loyalty and appreciation which you have always inspired in those who have served with you and know you." That tribute, printed at the head of the menu, sounded the keynote of what participants described as the swellest function of its kind they had ever attended—the testimonial dinner to William A. Hollingsworth, president of the Retail Tobacco Dealers Association, tendered by the retail tobacco trade in the Hotel Astor, New York City, Saturday evening, May 26th.

Manufacturers, jobbers, supply men, all joined with the retailers to do honor to "Bill" Hollingsworth. By the hundreds they gathered, certainly more than a thousand in all, some of the participants placing the number of diners close to the mark of 1500.

A regular guy, a square shooter and a born leader—in those simple phrases may be summarized the tributes to the guest of honor in the addresses of the programmed speakers—Matthew Woll, I. M. Ornburn, Arthur S. Meyer, Siegfried Hartman, Samuel S. Perry, Hon. Samuel Levy, Hon. Royal S. Copeland and Hon. Robert F. Wagner. Lou Lieberman was the official toastmaster.

On the dais, in addition to those, were: Charlie Landau, Herman Lesky, Eric Calamia, William Goldstein, I. H. Lefkowitz, Max Berliner, Moe Weinstein, Arthur S. Meyer, Sam Katz and Ed Castro.

All praise is due to the officers and members of committees for the brilliance of the affair: Lou Lieberman, chairman; I. H. Lefkowitz, vice-chairman; William Goldstein, secretary; Max Berliner, treasurer.

Banquet Committee: Herman Lesky, chairman; Max Berliner, Edward Castro, Jack Edelstein, Herman J. Goldwater, William Goldstein, Sam Katz, Charlie Landau, Ben L. Laschow, Lou Lieberman, Fred Miller, Joe Saremsky, Paul Schleissner, Moe Weinstein, Morris Weiss, Arthur Wilhelm.

Reception Committee: Ben L. Laschow, chairman; Eric Calamia, Jos. Freeman, Joseph Friedman, Manny Goldstein, Max Goldstein, Chas. Greene, B. B. Horowitz, Michael Kohen, Charles Landau, Phil Lottman, Leo Matusow, Jonas J. Ollendorff, Moe Packer, Sam Singer, Lou Schneider, Morris Weiss.

Guest Committee: Sam Wasserman, Carl Avery Werner, Ralph S. Williams.

# Out Today! "Memoirs of Alex Smart

THOSE who followed the "Memoirs of Alex Smart" by A. Joseph Newman, when they appeared in serial form, will welcome their collection into a handy little pocket size volume, which has lately come from the press. The "Memoirs" represent the life and opinions of one Alex Smart, self-confessed super-salesman. In his opening chapter the great man strikes the keynote of the theme which runs throughout his commentaries: "I'm going to take you behind the scenes and put the spotlight on the nefarious practices and stupendous stupidities of sales managers. The fact that I have been with practically every cigar manufacturer in the United States for periods of two weeks to at least two months, amply qualifies me to pass judgment on what's wrong with them, and what's right with us salesmen."

With this introduction, Smart proceeds to take the hide off "the average employer who foolishly expects his employees to work as diligently as he does," and to tell what's the matter with a cock-eyed business world in which everyone is out of step except Alex.

If you are a salesman, or have ever been in the selling end, the "Memoirs of Alex Smart" will go straight to your funny bone. But perhaps Mr. Newman has a more serious purpose than merely to provide a succession of hearty laughs, interspersed with quiet chuckles for the reader. In his foreword the author explains. "Mr. Smart is not a fictitious person. During my thirty years of selling I have heard every one of Alex's opinions voiced by one or another of my fellow salesmen. Yes, Alex is real enough—in that he is a composite of many actual persons.

"I trust that the Memoirs will be received in the good-natured spirit in which they are written—and as a healthful and pleasant antidote to the traces of Alex-Smartism which are likely to be found in the best of us."

All in all, the "Memoirs of Alex Smart" is a great little book. To those who can read between the lines it provides some solid food for thought, liberally salted with delighted humor. You shouldn't miss it.

### RETAILERS' CONVENTION

Retail Tobacco Dealers of America, Inc., will hold its annual convention at the Stevens Hotel in Chicago, Ill., on June 19th and 20th. All members of the association are invited to attend this convention. An interesting program will be arranged for the delegates.

The Convention will open at 10 A. M., Tuesday morning, June 19th, and will adjourn Wednesday afternoon, June 20th.

Aside from the general business of the Convention, a new Board of Directors will be elected. All members who desire to attend, please communicate with Wm. A. Hollingsworth, President, Retail Tobacco Dealers of America, Inc., 233 Broadway, New York City.



# Stocks of Leaf Tobacco in U. S.

STOCKS of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,441,454,000 pounds on April 1, 1934, compared with 2,277,904,000 pounds on April 1, 1933. This is an increase in the total stocks of 163,550,000 pounds over the stocks of a year ago April 1st. From January 1, 1934, to April 1, 1934, total stocks increased 259,112,000 pounds. The increase during the same period of 1933, namely, January 1, 1933, to April 1, 1933, amounted to only 133,171,000 pounds.

Stocks of flue-cured tobacco on hand April 1, 1934, were 784,925,000 pounds, compared with 680,280,000 pounds on April 1, 1933, an increase of 104,645,000 pounds over the holdings of a year ago. During the first quarter of 1934 flue-cured stocks decreased 73,199,000 pounds compared with a decrease of 89,217,000 pounds during the first quarter of 1933. Stocks of Type 11 on April 1, 1934, were reported as 339,028,000 pounds; Type 12 as 266,234,000 pounds; Type 13 as 128,670,000 pounds, and Type 14 as 50,993,000 pounds. The detailed report by groups of grades shows about the same relative proportion of tobacco in the various groups.

Stocks of fire-cured tobacco were reported as 225,813,000 pounds on April 1, 1934, compared with 242,389,000 pounds on April 1, 1933. Total fire-cured stocks were about sixteen and one-half million pounds lower than they were a year ago April 1st, and about fifty-four million pounds higher than they were at the beginning of the previous quarter. This increase during the quarter is normal as most of the previous year's crop is marketed during this period. Virginia fire-cured, Type 21 stocks reported as 36,884,000 pounds on April 1st, were about one million pounds higher than a year ago. Type 22, reported as 136,370,000 pounds on April 1st, showed a decrease of nearly seven and one-half million pounds under the previous year's stocks. Type 23 stocks were reported as 47,748,000 pounds and Type 24 as 4,811,000 pounds on April 1, 1934.

Burley stocks were about eighty-five and one-half million pounds higher on April 1, 1934, than they were April 1, 1933, and 244,341,000 pounds higher than on the first day of this year. The April 1, 1934, report shows 829,593,000 pounds on hand which is a record high for Burley stocks. Maryland tobacco stocks were about six million pounds lower on April 1st than on January 1, 1934, but are still slightly higher than the previous year's stocks. The April 1, 1934, report shows 31,921,000 pounds of Maryland tobacco on hand.

One-sucker stocks on April 1, 1934, amounted to 41,178,000 pounds, or about a quarter of a million pounds higher than the previous April 1st stocks. Green River stocks, reported as 37,684,000 pounds on April 1, 1934, were 6,332,000 pounds lower than a year ago. Virginia sun-cured stocks totaled 4,431,000 pounds on April 1st more than two million pounds higher than at the beginning of this year and nearly a million pounds higher than the previous April 1st. Miscellaneous domestic stocks were reported as 2,323,000 pounds and foreign-grown other than cigar leaf as 80,477,000 pounds on April 1, 1934.

### April 1st Cigar Leaf Tobacco Stocks

Stocks of American-grown cigar filler types amounted to 181,637,000 pounds on April 1, 1934, compared with 178,675,000 pounds on April 1, 1933, an increase of nearly three million pounds. Type 41, Pennsylvania seedleaf stocks on April 1, 1934, were 103,405,000 pounds; Type 42, Gebhardt, 21,546,000 pounds; Type 43, Zimmer, 25,564,000 pounds; Type 44, Dutch, 8,613,000 pounds; Type 45, Georgia and Florida sun-grown, 1,347,000 pounds; and Type 46, Porto Rican, 21,162,000 pounds. The detailed report by groups of grades shows about 77 per cent. of the total filler type stocks in the C group and about 18 per cent. in the X group.

The cigar binder type stocks were only a little over a million pounds higher on April 1, 1934, than they were on April 1, 1933. Total binder type stocks were reported as 196,425,000 pounds on April 1, 1934. Type 51, Connecticut broadleaf stocks, were 37,829,000 pounds on April 1, 1934; Type 52, Connecticut Havana seed, 35,688,000 pounds; Type 53, New York and Pennsylvania Havana seed, 3,382,000 pounds; Type 54, Southern Wisconsin, 72,309,000 pounds; Type 55, Northern Wisconsin, 47,217,000 pounds. The detailed report by groups of grades shows that of the total binder type stocks reported 4,496,000 pounds, or 2¼ per cent., are of wrapper quality; 74,619,000 pounds, or 38 per cent., are binders; 10,226,000 pounds, or 5¼ per cent., are fillers; and 106,523,000 pounds, or 54¼ per cent., are stemming grade or X group tobacco.

Shade-grown wrapper type stocks were about a million and a quarter pounds lower on April 1, 1934, than on April 1, 1933, and about a million pounds lower than on January 1, 1934. The April 1, 1934, report shows a total of 13,751,000 pounds on hand. Connecticut Valley Shade, Type 61, stocks were reported as 10,313,000 pounds, and Georgia and Florida Shade as 3,438,000 pounds. Of the total shade tobacco stocks reported 9,632,000 pounds are reported in the A group as being of actual wrapper quality.

Foreign-grown cigar leaf tobacco stocks were reported as 11,296,000 pounds on April 1, 1934.

### MRS. PAULINE UNGAR

Following a long illness Mrs. Pauline Ungar, widow of the late Alexander Ungar, and president of Alexander Ungar, Inc., one of the largest firms in the country manufacturing cigar containers, passed away at her home, 2209 Andrews Avenue, New York City, in the evening of Tuesday, May 22d.

Mrs. Ungar was widely known for her welfare work and for her many charities in New York City.

Services were held on Thursday, May 24th, at 2 P. M., in the West End Chapel at 200 W. Ninety-first Street. The seating capacity was exhausted and many stood during the services. The entire front of the chapel was banked with floral tributes. The casket was covered with a blanket of roses which had been sent by the employees of the factory.

Many prominent in the cigar and cigar container industry were in attendance.

Mrs. Ungar is survived by two sons, Harry F., and Dr. Stanley Ungar, and two sisters, Mrs. Serena Klein and Miss Margaret Fireman.

In respect to the memory of Mrs. Ungar the New Brunswick factory was closed all day Thursday.

**PRODUCT—PUBLICITY—PROMOTION**

IF YOU want to know the reasons for the gratifying sales of Phillies and other Bayuk products in New Jersey, executives of the company will enumerate for you, with pleasure, the smoking public's acceptance, plus sincere and effective advertising, plus sales promotion efforts of the distributors: Jersey City Tobacco Co.; Bayuk's Newark Branch; A. D. Hanauer (Trenton); Andrew Jacoby (Atlantic City); F. W. Layton & Son (Pennsgrove); and William D. Callahan, Atlantic Tobacco Co. (Wildwood).

A mighty nice job on Phillies is being done by Joseph Whitehead, Springfield, Mass.

The New York office of Bayuk Cigars, Inc., is making marked progress in the sale of Phillies and other brands of the company under the able management of Fred H. Brown.

In San Francisco and tributary regions Bayuk Phillies are materially increasing in demand through the energy of Ehrman Bros., Horn & Co. and branches, in conjunction with the sales promotion activities of Bayuk Territorial Manager F. Nagel.

E. A. Friedley & Bro., Batavia, N. Y., are doing a nice job on Phillies and Havana Ribbon in their territory.

Students of high schools and colleges, and others interested in industrial efficiency, continue to take advantage of the educational facilities furnished by a trip through the Bayuk plant. Among recent visitors were the members of the Science Class of the West Philadelphia High School and a group of junior employees of the Bankers Trust Co., of New York City. The nine young men in the latter group are making a tour of the country, visiting industrial establishments. The visit to the Bayuk plant was their only stop in Philadelphia.

A recent prominent visitor was Joseph Kolodny, secretary of the National Association of Tobacco Distributors.

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Benjamin Lumley returned last week from a trip through northern New York State in the interest of his Garcia y Vega brand, and reports a very successful trip. Business was very much improved in every point visited by Mr. Lumley, and an excellent summer season is confidently anticipated.

## Trade Notes

Kid Nichols, of Belinda fame, was in town last week and reports business increasing on his brand.

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On and after June 4th, the Philadelphia Unit of the Autokraft Box Corporation will be located at 1011 Diamond Street.

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John Wagner, of John Wagner & Sons, local distributors, spent last week among the trout streams of Pennsylvania and returned after a most enjoyable trip and a good catch of fish.

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Jack Merriam, of M. Bustillo & Merriam, was in town last week highly pleased with the improvement in business on his brand and most optimistic over future prospects.

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I. B. White, manager of the cigar department of John Wagner and Sons, reports excellent demand on Romeo y Julieta cigars with some sizes constantly oversold, in spite of the fact that shipments are now coming through from Cuba regularly.

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Antonio y Cleopatra cigars are continuing to increase in favor in this territory and this increase is attributed very largely to the introduction of the new Princess size, which has a punctured head and allows the cigar to be smoked without the usual biting or cutting off of the head before lighting.

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Herman Abrams, formerly representing the Mazer Cressman Cigar Company in this territory, is now factory representative for E. A. Kline and Co., and is promoting distribution and sale of the Medalist brand. Yahn & McDonnell, local distributors, report a splendid increase in distribution and sale on this brand since the recent advent of two new sizes, which have proved popular with discriminating smokers here.



# Musings of a Cigar Store Indian

**By Chief "Young-Man-Smoke-Cigars"**

EXTRACTS from "The Passing of the Wooden Indian," by John L. Morrison, in the September, 1928, issue of *Scribner's Magazine*, which have aroused much interest because of their historical associations, are completed in the following paragraphs: "Wooden Indians were almost invariably carved out of clear pine and usually from one stick. Sometimes extra blocks were glued on, and a Fritz Decker Indian, owned by Charles Seiders, Philadelphia, is made entirely of small blocks.

THE SCULPTORS originated designs or copied book illustrations or prints. I have never seen duplicates, and only one pair approaching close resemblance; they are seven hundred miles apart. I have found no duplicates even among metal Indians. The carvers must have exercised much originality, or there were so few makers that their work was scattered. It was customary for the sculptor to paint his creation, but repainting, of course, was beneath him. It seems almost incredible now that there were itinerant painters making a business of reapplying war paint.

THE DESIGNS fell into four groups: (1) chiefs; (2) squaws or Pocahontases; (3) blackamoors or Pompeys; (4) "white men." The fourth class included Sir Walter Raleighs, Uncle Sams, Lord Dundrearys, Forty-niners, policemen, Punches, Highlanders, and scores of others, including cigarette-smoking girls! In the early seventies Champagne Charleys were popular, tall figures with a Scotch physiognomy; the name came from a popular song of that day: "Champagne Charley is my name," etc.

THESE INDIANS brought various prices. Small Indians sold in New York for $20 to $30. It was a low, full-sized brave that did not fetch $25 or more. Canal Street, New York, was a mart for bargains in Indians, and the prevailing price $25, but most of these were trade-ins and used chiefs, reconditioned and repainted. Proportionately, the trade-in feature in the wooden-Indian industry was as active as in motor cars today—in fact, Leopold Schwager accepted so many trade-ins he finally found himself, similar to the used car dealer, with a non-unloadable stock when the demand faded away. Demuth Indians sold for from $50 to $75 and $100. Edward Hen had them slightly cheaper and his stock was larger. In Baltimore good figures were sold at $75. Pompeys brought $25 to $200. Detroit Indians sold for the biggest prices; Melcher's Indians brought him from $150 up—in one instance $700.

A DEALER on Flushing Avenue, near Graham Avenue, Brooklyn, specialized in little Indians, about thirty inches high, for window use. Fifty years ago, Morris Hirsh's cigar store, 65 Fulton Street, Brooklyn, was fronted by the figure of a white man, cigar in mouth, with hands pressed at sides of his head, porous plaster on back. Prominently displayed was the legend: "Oh, how hard this cigar draws!" People came from all over the United States, even from California, to see it and laugh. People went far for their amusement in those pre-comic-strip days. Not so far away from Hirsh's and in the same street, near Clark, Tobacconist Haslam displayed in his window an Indian made entirely of cigars rolled expressly for this purpose, some of them large and some as small as one and one-half inches long. It took Haslam months to make it and the populace years to talk about it. A dealer on Myrtle Avenue, between Pearl and Jay Streets, Brooklyn, displayed a coil of tobacco above his door after the early European method.

ITALIANS in New York made small-size window Indians of plaster and peddled them. These were about two feet high, as a rule, and no large plaster Indian is reported.

The metal Indian competed successfully with the wooden from about Civil War time. They were attractive in design, not easily kidnapped by boys or by men possessed with a low form of humor and expressing themselves in their own way, but cost more and were virtually non-repairable. Though called "iron" this metal was usually cast zinc. A good metal Indian, with a genuine custom body, cost from $125 to $200 and even $300.

A SEMINOLE chief, standing at Samuel Willard's, on F Street, was so lifelike that he frightened women and children in Washington, D. C., forty years ago, whereupon the police made Willard saw off the barrel of the chief's musket. Present police regulations have relegated him to D. Ochsman's back room, gun or no gun.

BRONZE was used in making at least one cigar store Indian. It stood at Alles & Fisher's, Boston, from 1874 to 1918, when the building was demolished and the figure taken down. It is the most pretentious of show-figure Indians, but neither the present Alles & Fisher firm nor the American Tobacco Company, in whose general offices the statue now stands, knows the name of the man who designed or cast this gem, which Henry Wadsworth Longfellow often stopped to admire.

IN Erie, Pa., wood carver has made the only contribution to cigar store sculpture in three decades. I'll not say wooden Indian; it's a Malay demon. One novel, one play, one song are the inspirational achievement of the cigar-store Indian in literature, the drama and music, and he recently flashed in and out of a slapstick movie.

THE cigar-store Indian has played his part and vanished. He will not probably ever be with us again in his full size and commanding presence on our sidewalks, but some of these days we may have an era of trade symbols, or guild emblems, and the small-size window Indian may return.

POOR Lo, in wood, metal, or whatnot, has been literally and figuratively a figure in the life of the world for at least three hundred years. He might well lament with that great chief of the school reader: 'Who is there to speak for Logan? No one.' Possibly it is that haunting lament, lingering from school days, that has compelled this word in behalf of the wooden Indian—meagre and fragmentary result of considerable research and outlay for grass-root facts about the origin, rise, and fall of the cigar-store brave."

## PROPOSED TAX RATES

THE 40 per cent. horizontal reduction in the Internal Revenue Tax Rates on *all* tobacco products, including cigars, recently recommended by the Vinson Subcommittee, was approved by the House Ways and Means Committee at a meeting held on May 24. The Bill (H. R. 9441) thus approved by the Ways and Means Committee and recommended for passage was introduced by Congressman Vinson (chairman of the subcommittee) and provides for the new tax rates shown in the table below:

| | *Present Tax Rates* | *Proposed Tax Rates* |
|---|---|---|
| Little cigars ..... | $ .75 per M. | $ .45 per M. |
| *Cigars: | | |
| Class A ..... | 2.00 " " | 1.20 " " |
| Class B ..... | 3.00 " " | 1.80 " " |
| Class C ..... | 5.00 " " | 3.00 " " |
| Class D ..... | 10.50 " " | 6.30 " " |
| Class E ..... | 13.50 " " | 8.10 " " |
| Cigarettes ..... | 3.00 " " | 1.80 " " |
| **Large cigarettes .... | 7.20 " " | 4.32 " " |
| Mfd. tobacco & snuff... | .18 " lb. | .108 " lb. |

*The present classification of cigars would remain unchanged.

**Except that if more than 6½ inches in length they shall be taxable at the ordinary cigarette tax rate, counting each 2¾ inch (or fraction thereof) of the length of each as one cigarette.

It is to be noted that the new tax rates provided for in this bill "shall apply only with respect to articles sold or removed for consumption or sale *after 30 days after the date of the enactment of this Act.*"

The Committee's report will probably be submitted to the House for action thereon early this week.

## FINAL CONTRACT DATE SET

THE final date for acceptance of tobacco acreage adjustment contracts for filler and binder types of cigar-leaf tobacco grown in the Wisconsin-Minnesota, Ohio-Indiana, Pennsylvania-New York, and New England areas, has been set at June 15, it was announced today by the tobacco section of the Agricultural Adjustment Administration.

Producers who operated under cigar-leaf contracts in these producing districts last year also have until June 15 to execute riders which carry the options contained in the 1934 contract, giving producers the choice of reducing acreage by either 33 1/3 per cent., 50 per cent., or 100 per cent., of their base acreage.

Officials also announced that producers have until June 15 to select or change a selection already made in the option as to the proportion of base acreage to be retired from production under the contract.

Some cigar manufacturers have indicated that in their judgment producers in position to grow tobacco of the most desirable qualities for cigar purposes will find it to their advantage to accept the options providing for the smaller reduction rather than the options providing for the larger reductions.

Bayuk Cigars, Inc., of Philadelphia, and the General Cigar Company of New York, have advised the tobacco section that their stocks of domestic filler tobaccos are not excessive, and that very little tobacco suited to their requirements is available for purchase. Under the conditions, these firms believe, a crop somewhat larger than that now indicated, if of good quality, would bring producers higher prices than have prevailed in recent years.

Officials of the tobacco section pointed out that although total stocks of cigar types are still large, it may be that stocks of some grades have been reduced until they are not excessive. However, it is suggested that each grower consider carefully the demand for the quality of tobacco which he produces in order to obtain the greatest possible advantage from the flexible provisions of the 1934 adjustment contract.

Because of the changes that may be made in the contracts between now and June 15, tabulations of the contracts which are now in county and State offices will not be made until after the close of the sign-up period.

## SALESMEN ORGANIZE IN D. C.

Headed by Grand President Abe Brown, the executive committee of the National Board of Tobacco Salesmen's Association will organize a Washington, D. C., Tobacco Salesmen's Association, Saturday, June 2, at 3 P. M. Organization will be held at the Hotel Hamilton, Fourteenth and K Streets Northwest.

Postponement from May 26th was necessary owing to the N. B. T. S. A. members wanting to attend the testimonial dinner to William A. Hollingsworth, president of the Retail Tobacco Dealers of America, Inc.

Resolutions passed by the National Board urge all manufacturers, distributors, jobbers and salesmen to go after Father's Day business. The occasion lends itself admirably to the promotion of tobacco sales be it cigars, cigarettes or smoking tobacco. The industry is urged to feature Father's Day in advertising, window posters and store counter displays.

Copyright, 1934, R. J. Reynolds Tobacco Company

...It's irritating and it means... jangled nerves!

Yes, it's irritating to listen to that constant, tuneless humming—and more than that, the humming is a sign of jangled nerves.

If you notice any of those telltale nervous habits in yourself—if you whistle through your teeth—juggle your keys—drum on the table—then it's time to start taking care of yourself.

**Get enough sleep—fresh air—recreation—and watch your smoking... Remember, you can smoke as many Camels as you want. Their costlier tobaccos never jangle your nerves.**

HAVE FUN!

*Send for* FREE *Game Book*

New—illustrated book of 20 ways to test nerves. Fascinating! Amazing! "Show up" your friends. See if *you* have healthy nerves. Send fronts from 2 packages of Camels with order-blank below... Free book is sent postpaid.

CLIP AND MAIL TODAY!

R. J. Reynolds Tobacco Company
Dept. 112-C, Winston-Salem, N. C.

I enclose fronts from 2 packs of Camels. Send me book of nerve tests postpaid.

Name.....
(PRINT NAME)

Street.....

City..... State.....

Offer expires December 31, 1934

*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

CAMELS— SMOKE AS MANY AS YOU WANT... THEY NEVER GET ON YOUR NERVES!

# U. S. Cigars Up Nearly 24 Millions in April

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for April, 1934, are subject to revision until published in the annual report):

| *Products* | —*April*— *1934* | *1933* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 293,660,515 | 277,187,420 |
| Class B .....No. | 3,326,497 | 2,477,513 |
| Class C .....No. | 44,679,730 | 38,425,990 |
| Class D .....No. | 3,121,650 | 2,866,535 |
| Class E .....No. | 278,339 | 249,115 |
| Total ..... | 345,066,731 | 321,206,573 |
| Cigars (small) .....No. | 17,629,400 | 10,896,826 |
| Cigarettes (large) ...No. | 11,817,000 | 196,811 |
| Cigarettes (small) ..No. | 9,293,630,590 | 7,973,021,190 |
| Snuff, mfd. .....Lbs. | 3,198,039 | 3,440,392 |
| Tobacco, mfd. .....Lbs. | 24,062,007 | 25,407,025 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*April*— *1934* | *1933* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 6,206,400 | 4,082,650 |
| Class B .....No. | 208,500 | 164,700 |
| Class C .....No. | 28,750 | 17,000 |
| Total ..... | 6,443,650 | 4,264,350 |
| Cigars (small) .....No. | 290,000 | 500,000 |
| Cigarettes (large) ...No. | 100,000 | 20,000 |
| Cigarettes (small) ..No. | 400,000 | 65,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*April*— *1934* | *1933* |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 21,208,510 | 8,442,275 |
| Class B .....No. | 16,843 | 4,970 |
| Class C .....No. | 9,476 | 13,476 |
| Class D .....No. | 150 | 200 |
| Class E .....No. | 120 | ... |
| Total ..... | 21,235,099 | 8,460,921 |
| Cigarettes (large) ...No. | ... | 1,000 |
| Cigarettes (small) ...No. | 344,100 | 83,000 |
| Tobacco, mfd. .....Lbs. | 5 | 14 |

## STATEMENT OF COLLECTIONS FOR APRIL

| *Sources of Revenue* | *1934* | *1933* |
|---|---|---|
| Cigars .....$ | 913,396.20 | $ 812,923.16 |
| Cigarettes ..... | 27,968,190.33 | 23,921,084.01 |
| Snuff ..... | 575,647.10 | 619,270.59 |
| Tobacco, chwg., smkg... | 4,331,337.09 | 4,574,056.32 |
| Cigarette papers and tubes ..... | 76,113.07 | 65,111.68 |
| Miscellaneous, relating to tobacco ..... | —8,319.45 | 241.00 |

### April Cigar Withdrawals 1920 to 1932 Inclusive

| | | | |
|---|---|---|---|
| April, 1920 | 663,577,579 | April, 1927 | 475,979,589 |
| 1921 | 548,103,503 | 1928 | 459,021,565 |
| 1922 | 501,393,544 | 1929 | 550,912,261 |
| 1923 | 532,533,522 | 1930 | 469,968,598 |
| 1924 | 501,422,160 | 1931 | 459,981,900 |
| 1925 | 493,775,432 | 1932 | 349,953,161 |
| 1926 | 509,132,588 | | |

### Processing Tax Returns

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture and under authority of the Agricultural Adjustment Act (Public—No. 10—73d Congress), approved May 12, 1933.

| *Commodity* | *Month of April 1934* | *Total from July 1933 (Fiscal year 1934)* |
|---|---|---|
| Tobacco, tax effective October 1, 1933): | | |
| Processing tax .....$ | 2,138,110.36 | $11,850,487.57 |
| Import compensating taxes ..... | 21,037.52 | 131,564.24 |
| Floor tax, other than retail dealers ..... | 3,323.21 | 1,804,785.89 |
| Floor tax, retail dealers ..... | 1,722.06 | 241,637.61 |
| Total, tobacco ....$ | 2,164,193.15 | $14,028,475.31 |

### GEORGE AND GRACIE AT THE FAIR

George Burns and Gracie Allen made a special trip to Chicago to take part in a broadcast at the opening of the White Owl exhibit in the World's Fair, May 26th. The program was on the WABC-Columbia network from 6:15 to 6:30 P. M., EDST, and the musical portion, supplied by Guy Lombardo and his Royal Canadians, originated in Pittsburgh, where the band was filling a vaudeville engagement.

The opening ceremonies were brief, but impressive. Gracie dropped a bale of tobacco on George's foot. George shouted, "Ouch!", which was the cue for the engineer to turn on the controls for the broadcast. This is the second season George and Gracie have opened the White Owl exhibit.

### POSTERS AND FATHER'S DAY BUTTONS

Abe Brown, manager of the Newark Branch of Bayuk Cigars, Inc., has announced the release of a state-wide outdoor billboard campaign featuring Bayuk's Phillies on twenty-four sheet posters. He adds that Phillies are on display and sale wherever cigars are sold, be it road stands, department stores, clubs, hotels or cigar stores.

The sales force in co-operation is putting up window posters, screen door signs and outdoor all-weather placards.

The salesmen are giving to those retailers that will make the effort a large red coat-lapel button bearing the inscription, "How About Cigars for Father's Day." In keeping with Bayuk's desire to promote the sale of cigars in general there is no Bayuk advertising on the button.

LUCKIES ARE ALL-WAYS KIND TO YOUR THROAT
"it's toasted"
Only the Center Leaves—these are the Mildest Leaves
The Cream of the Crop
They Taste Better
Copyright, 1934, The American Tobacco Company

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

APPROVAL of proposals for a 40 per cent. reduction in tobacco taxes, sought by the manufacturers of 10-cent cigarettes during consideration of the new revenue bill, was voted by the House Ways and Means Committee May 24th. A result of the cut, if approved by Congress, would be a reduction in the retail prices of cigarettes, possibly with the now 15-cent brands coming down to 10 cents and the 10-cent types being sold at two packages for 15 cents.

Adoption of the proposal would mean a reduction in tobacco tax collections of $75,000,000 a year to begin with, although proponents of the move claim that increased consumption would take up much of this amount.

The legislation has the backing of the tobacco growers, who see in increased consumption a possible scrapping of the entire tobacco acreage reduction program and the raising of tobacco prices up to parity.

The committee's favorable report was made in the face of the President's refusal to commit himself on the question, although it had been indicated in White House circles that both he and the Secretary of the Treasury felt it would result in a considerable loss of revenue.

Although the question of a cut in the tobacco taxes was broached while the 1934 revenue bill was under consideration, neither the House nor Senate took any action on the matter. Following the reporting of the bill, the House Ways and Means Committee turned the question over to a subcommittee for consideration, and that group some weeks ago made a report favoring tax reduction.

Announcing the decision of the full committee, Representative Robert L. Doughton (Dem.) of North Carolina, chairman, declared that "the subcommittee heard representatives of all major cigarette-producing corporations promise that if the tax reduction is enacted the entire benefit will accrue to the consumer, with no additional profit to the producer.

"We believe that these firms realize the seriousness of the situation and will carry out their promises in order to benefit tobacco growers."

The action of the committee, while advancing the tax-reduction program, does not necessarily imply that anything will come of the movement this session. Efforts are being made to adjourn Congress by June 9th, and the matter must yet be passed upon by the House and then by the Senate, so that if any determined opposition was expressed in the latter body it might result in delaying the measure until too late for action.

Proponents of the bill, however, express confidence that little objection will be raised in either House or Senate and are confident that it can be passed.

APPOINTMENT of Professor Claudius T. Murchison of the University of North Carolina as director of the Bureau of Foreign and Domestic Commerce of the Department of Commerce was announced May 24th by President Roosevelt. Murchison was named in place of Professor Willard L. Thorp of Amherst College, Mass., whose nomination with withdrawn recently when Senate leaders advised the President he could not be confirmed.

While Thorp was ostensibly rejected on the ground that he had once been registered as a Republican and had had but little business experience, the major basis of the opposition was a fight of political factions in the department of many months' standing.

ENACTMENT before the end of the session of legislation providing for the establishment of "free ports" has been made possible by the action of the House Rules Committee in expediting consideration of the bill sponsored by Representative Celler of New York. Similar legislation has already been passed by the Senate.

The bill establishes free port areas where imported goods can come in for rehandling and re-export without payment of duty or storage in bonded warehouses. In these ports also domestic and foreign materials and products could be combined into commodities for export. Briefly, every sort of operation necessary to the production from foreign materials of merchandise for the foreign trade, except actual manufacturing, could be carried on in the free zones.

A THOROUGH investigation by the Senate Finance Committee of the possibilities of imposing a Federal sales tax on all products except foodstuffs is proposed in a resolution introduced in the Senate last month by Senator Barbour of New Jersey. In introducing his measure, the Senator indicated his intention of pressing for a general sales tax, part of the receipts from which would be turned over to States which do not already impose such taxes themselves.

The investigation proposed for the Finance Committee would cover the methods to be used in collecting the tax, the method of ascertaining the sales prices of articles subject to the levy, the definition of foodstuffs to be exempted, and the portion of the revenues to be allocated to the States.



Cigars are the most pleasurable and economical form of smoking.

# BAYUK BULLETIN

WE DO OUR PART

VOLUME II. JUNE 1, 1934 NUMBER 9

## PHULOFAX (*The Retailer's Friend*) SAYS

"Do retailers really appreciate the service as rendered to them by a jobber and what would they do were it not for this jobbing service?" asks O. C. L. Not a bad question to ponder over.

—o—

"When a manufacturer's salesman accompanies a jobber's salesman to assist in promoting the sale of a product, who should have the lead in the sales talk to the prospective customer?

—o—

During *every* single minute of last year (Sundays and holidays included) a certain jobber sold 120 cigars of a certain brand—zowie, 120 cigars every minute . . . 7200 cigars every single hour throughout *every* day of the year! If the cigars sold were made into one gigantic cigar, it would measure 5555 miles long! Figured by the minutes that it takes an average man to smoke a single standard-sized cigar, how long would it take a man to smoke this cigar?

—o—

D. O. C. sends this in: "Talking about calls as made by cigar and tobacco jobbers' salesmen, my wife told me that her milk-man told her that he served 345 customers each day—do you believe it?" Gad, if that milk-man does serve 345 customers every day, when did he find the time to tell your wife? At that, it IS a few more customers than we cigar salesmen contact each day, isn't it?

—o—

As a salesman, are you a SAPODILLA? No, it doesn't mean what we might think and besides a Salesman could not be a Sapodilla if he wanted to. . . . BUT don't be a QUIDNUNC. Boyoboy, it's bad to be a QUIDNUNC!

—o—

Be you a jobber, retailer or salesman, lots of learning obtainable from magazines, trade papers, etc. . . . and at little cost, too.

—o—

Are you a button-wearing C. B. A. member or a cigar-consumer getting C. B. A. member? U02B both!

—o—

"Are there two kinds of cigars—those that sell and those that don't"? asks F. O. B.—P. M. P. doesn't agree—he says—"Yes, there are two kinds of cigars—those that are licensed to sell and those that a SALESMAN can make sell bigger."

—o—

This retailer had a store close to a large railroad station . . . he checked your grip gratis but when it was called for, invariably a pleasing sale of cigars was made.

Phil M. Phulofax* D. B. I.

*Associated with BAYUK CIGARS, INC., Philadelphia—Makers of fine cigars since 1897

## FRONT DOOR LOCKED? TRY THE SERVICE ENTRANCE

### *That's What Salesman Florsheimer Did*

It was the swankiest of swank hotels that Joseph Florsheimer, Philadelphia cigar salesman, picked as a good outlet for his brand.

Now it happened that Joe's brand retailed for five cents and the boss of the cigar stand couldn't see his high hat trade smoking five cent cigars.

"But," protested Joe, "this is a *good* cigar. It's smoked by men who can afford to pay any price. I'll bet a lot of your own customers smoke it. Let me put a box in the case and prove it."

"Nothing doing," replied the man behind the Italian marble cigar counter. "My customers just barely condescend to speak to a ten-cent straight."

Well that looked like *that*. But it wasn't. Finding the front door banged in his face, Joe tried out the service entrance. He started a little quiet sampling campaign right there in the hotel. Not among the guests, oh dear no. But the doorman got a few cigars, compliments of Joe Florsheimer. So did some of the elevator boys, the head waiter, one of the assistant managers.

Before many days the hotel cigar stand had sufficient calls from members of the staff to justify the cautious purchase of a box of fifty. And the box of fifty hadn't been in the case very long until it was showing signs of complete exhaustion. Joe had been right. The guests of this very high hat hostelry did know his brand and like it. That initial box of fifty has blossomed into a frequently repeated 250 order.

There's a double-barrel moral to this story. No. 1—A *good* cigar knows no class distinctions. It can make its way into any society provided it's given the right sort of start. No. 2—To a good salesman, a prospect's "No" is no more final than a woman's.

## $5.00 REWARD

**There are millions of smokers who have never learned that a cigar is the most pleasurable form in which to enjoy tobacco. How would you go about converting some of these men to cigars?**

**There are millions of men who enjoy a cigar once in a while, who ought to be regular smokers. What can be done about them?**

**Let's have your idea for boosting cigars. Send it to Phulofax, care Bayuk Cigars, Inc., 9th Street and Columbia Avenue, Philadelphia, Pa. Five dollars will be paid for every idea published.**

*WHAT THE CIGAR BUSINESS NEEDS—Lots of C. B. A. Members With Good, Hard-working Consciences.*

## "TOMORROW'S SUNDAY" BOOSTS SATURDAY SALES

What is Saturday to you, Mr. Retailer? Merely the day before your day of rest—or a good opportunity to pound out some nice extra sales volume on your cash register?

News-sleuth G. F. Branzell reports a neat little stunt used in a Washington, D. C., smoke shop to boost week-end sales.

When a customer enters the store on a Saturday and asks for his pet cigar, the clerk places the box on the case and at the same time produces a five-pack with the remark: "Tomorrow's Sunday."

That fact is usually no news to the customer, but it does conjure up in his mind the terrors of a cigarless Sunday — and the result is some mighty satisfactory five-pack sales.

**C B A**

(*Cigar Boosters Association*)
**is working for you. Are you working for it? Join up now and do your share.**

## HERE'S HEADWORK

Fred J. Hillman, who covers a New York State territory for a well known brand of cigars, works a very clever "point-of-sales" advertising scheme.

"A great many dealers out my way have newspaper stands outside their stores," writes Mr. Hillman. "In my car I always carry some empty cigar boxes (my own brand, of course). Whenever I come to one of these news stands I leave one of the boxes for customers to drop their pennies in.

"I've never had a kick from a dealer—and next to a good poster in the window, I don't know any better way of reminding the passer-by that he can get my cigars inside."

## IS THE "30TH" MARKED ON YOUR CALENDAR?

Memorial Day ushers in another season of "hay making" days for the progressive cigar dealer. Close on its heels follow Father's Day and the Fourth of July, with Labor Day faintly discernible on the horizon.

Now's the time to hie yourself around to the nearest Legion Post to borrow a supply of tin hats and other war-time trophies for timely window and store decorations. And this evening would be an excellent time to sit down with yourself and think up a few snappy display cards, suggesting a box of cigars for the Memorial Day outing.

And while you are thinking, think of all the week-end auto trips your customers are going to take this summer—and how you can go about suggesting that they take along a good supply of cigars.

BAYUK BRANDS BUILD BUSINESS
**Bayuk Philadelphia Perfecto**
(BAYUK "PHILLIES")
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

# Report on the Kerr Bill

THE BILL for the control of tobacco production, generally known as the Kerr Bill, has been reintroduced in a revised form (H. R. 9690) and reported out for passage by the House Agricultural Committee. A similar bill has also been introduced in the Senate by the Chairman of the Agricultural Committee as Senate Bill No. 3670.

To quote from the House Committee's report:

"This Bill has for its purpose the protection of the bona fide tobacco growers who have entered into a contract with the Agricultural Department to reduce their acreage and poundage allotment of tobacco to be grown by them for the crop year of 1934. . . . These contract growers who have enthusiastically entered into this program with the Agricultural Department are demanding that they be protected from all non-contract growers who declined to reduce their acreage or poundage and who can by their unwillingness to cooperate with their fellow farmers and the Agricultural Department wreck the program and defeat the purposes of the law. . . .

" . . . Therefore, this Bill proposes to put a sales tax of from 25 per cent. to 33 1/3 per cent. on all tobacco produced by contracting parties in excess of that allotted to them by the Agricultural Department and on all tobacco produced and offered for sale by those who did not enter into contract to reduce their crop. . . .

" . . . In brief, the levy seeks to prevent the man on the outside from unduly profiting by his neighbor's reduction and by his neighbor's sincere endeavor to enter into a cooperative agreement by which fair prices will be obtained. . . . "

## TAXES

Again quoting from the House Committee's report, the measure provides for:

" . . . a sales tax on all types of tobacco which come under the operation of this act, *of not less than 25 per cent. or more than 33 1/3 per cent. of the price for which said tobacco is sold,* which was grown and marketed by non-contracting tobacco growers who do not participate in the adjustment program of the Agricultural Administration. *This tax applies to all tobacco harvested in the crop year of 1934-35 except Maryland tobacco, Virginia sun-cured tobacco, and cigar-leaf tobacco, and tobacco grown by growers who produce less than 2,000 pounds of tobacco a crop year.* . . . "

It is to be noted that no tax is imposed under this bill "upon tobacco harvested prior to the crop year 1934-1935."

Under the general scheme of this measure, the tax is levied on all tobacco sold, excepting the types exempted. But farmers cooperating in the Voluntary Tobacco Production Program would receive non-transferable tax payment warrants (without paying therefor) for the poundage allotted them. These warrants would in turn be accepted in payment of the tax. Non-cooperators having no warrants, or farmers selling more than their allotted share (for the excess of which they would have no warrants) would, of course, have to pay the tax in cash.

The bill requires all persons having information in respect to tobacco produced or sold to disclose said information to the Commissioner of Internal Revenue.

## REGARDING LATER CROPS

It is to be noted that the bill definitely imposes the tax on the 1934-1935 crop. As regards later crops, the measure contains the following provision:

" . . . Thereafter whenever the Secretary of Agriculture determines that the persons who own, rent, share crop, or control two-thirds of the land customarily engaged in the production of any particular type of tobacco favor the levy of the tax thereon and that the imposition of the tax thereon is necessary for the orderly marketing of such tobacco in interstate and foreign commerce and to effectuate the declared policy of this Act, *he shall proclaim such determination at least sixty days prior to the next succeeding crop year, and the tax shall thereafter apply to tobacco of such type harvested during the crop year next following the date of such proclamation.*"

## CIGAR TOBACCO

Here again we quote from the report of the House Committee, to wit:

"Section 15 provides that the Secretary of Agriculture may establish quotas for the importation *of any cigar-leaf types* of tobacco into continental United States which may come in competition with such *type of tobacco to which the tax herein provided is applicable.* These quotas to be allotted to the importers of such tobacco by the Secretary of Agriculture—he having due regard for the respective amounts of tobacco imported within the crop years 1932-33 and 1933-34 by said importers.

"Section 16 authorizes the Secretary of Agriculture *to fix an import-tax rate on cigar-leaf tobacco which exceeds the quota allotted* to importers. This is done to further protect the American growers of cigar-leaf tobacco and make it impossible for foreign importers to take advantage of domestic reduction of this type of tobacco."

Attention is also directed to the following provision contained in Section 16 of the bill:

" . . . As used in this and the preceding section 'cigar-leaf types of tobacco' shall include cigars, which for the purposes of the quotas, allotments, and import tax provided for by said sections shall be translated into terms of raw cigar-leaf tobacco of the respective types from which such cigars are produced, pursuant to conversion factors established and proclaimed by the Secretary of Agriculture."

Section 3 (c) of the bill reads:

"The provisions of this Act shall be applicable to the United States and its possessions, except the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and the island of Guam."

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The main office, showroom and store of T. Miller and Son, importers and distributors of cigars and tobacco products, is now located in the Greeley Arcade Building, 128 W. Thirty-first Street, running through to 127 W. Thirtieth Street. The store operates on a "cash-and-carry" basis.



## News from Congress

(Continued from page 12)

RACKETEERING" in equity receiverships and bankruptcy proceedings has cost the country $4,000,000,000 during the last five years, according to a report just prepared by a House judiciary subcommittee embodying the results of investigations into the situation in Chicago, on the basis of which general legislative changes in bankruptcy laws were recommended.

Going into detail regarding the conditions disclosed by its study, the subcommittee reported that "the outstanding fact which in our opinion justifies the severest criticism of the courts in the northern district of Illinois is the apparent utter disregard by judges of the rights of property of creditors in the matters of the allowance fees to attorneys and receivers and the various items of expense."

The House group was one of several which during the past year have studied the bankruptcy situation. Its finding that approximately $800,000,000 a year has been lost to creditors during the past five years is borne out by other studies which have been made, but it is explained that the loss during the depression period has been considerably in excess of normal because of the unprecedented conditions which have prevailed.

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## HEARING ON FLUE-CURED TAX

A PUBLIC hearing was concluded on May 24, at which evidence in support of a reduction in the rate of the processing tax on flue-cured tobacco used in the manufacture of plug chewing tobacco and twist, was introduced. The hearing was held in the Internal Revenue Building. Five witnesses, H. B. Taylor, of the Taylor Brothers Tobacco Company, E. J. Davis, tobacco warehouseman, J. C. Trotnam, of Winston-Salem, N. C., and J. E. Howard, of the Sparrow-Gravely Tobacco Company, Martinsburg, West Virginia, and J. B. O'Brien, of the Ryan-Hampton Tobacco Company, Louisville, gave testimony in support of the proposed change in the tax rate.

Evidence was presented to the effect that plug chewing tobacco and twist, made from flue-cured tobacco, were of such low value as compared with the quantity of tobacco used in their manufacture that the present tax is curtailing the use of flue-cured tobacco in these products, and is acting to cause an accumulation of surplus stocks.

Representatives of the processors asked that the tax reduction be made retroactive to October 1, 1933, and that the processing tax on all types of tobacco used in the manufacture of plug and twist be levied at the same rate. The rate requested was 1½ cents per pound. There were no witnesses in opposition to the reduction in the tax rate.

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The New Prince Hamlet cigar, product of Bayuk Cigars, Inc., and retailing at ten cents and up, has received splendid co-operation from retailers in this city and is well displayed in all the prominent cigar stores. The splendid volume of sales obtained is an excellent barometer recording the trend of business conditions.

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway New York, N. Y. ..... President
CLIFFORD N. DAWSON, Buffalo, N. Y. ..... Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
A. STERNBERG, Newark, N. J. ..... Secretary

RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

MORRIS LEVITONE ..... President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. ..... Secretary

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

E. ASBURY DAVIS, Baltimore, Md. ..... President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN ..... President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. ..... Secretary

## Under Billy Penn's Hat

John Wagner & Sons are meeting with unusual success in promoting a new size of Medal of Honor cigars, retailing at fifteen cents, and under the front mark of "fancy tales."

---

H. H. Kynett, advertising counsel for, among others, the G. H. P. Cigar Co., has been re-elected president of the Poor Richard Club. He is the first president to be elected for three successive terms, since the early days of the club.

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George Stocking, of Arango y Arango, was a visitor in town last week, and reports business on his Don Sebastian brand showing a fine increase over the same period last year. Improvement in business conditions is particularly noticeable in the Class C and D merchandise. Mr. Stocking was enroute to factory headquarters.

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### SPREADERS OF OPTIMISM

ELATED over the continued comeback of cigar smoking, as reflected in the figures released for April, Frank P. Will, executive vice-president of G. H. P. Cigar Co., and Dave A. Jenks, assistant sales manager, returned from their recent optimism-spreading tour, full of confidence that their faith in the future of the business will be justified in a manner to silence the cynics. Accompanied by H. H. Kynett, advertising counsel for the company, they addressed the Buffalo and Rochester sales forces of Kearney-Lehmann Co. on the 18th, and on the following day the sales organization of the N. Rice Cigar Co. in the William Penn Hotel, Pittsburgh.

Present and future promotion plans for El Producto and La Azora were discussed in detail. G. H. P. has formulated a program to take the fullest advantage of the smoking public's return to the cigar as a favorite form of relaxation.

E. J. Myers and Moe Gordon report that conditions look favorable for a much better season at Atlantic City, and they are well pleased with the prospects there for El Producto and La Azora.

The company has recently been in receipt of letters from distributors all over the country who are planning to attend the Distributors' Convention in Washington on June 9th, and to stop off for a visit to the G. H. P. plant in Philadelphia.

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### "LITTLE AMERICA" WANTS LUCKIES

THERE is a serious shortage of cigarettes in "Little America." The Byrd Expedition in the Antarctic is out of smokes and a loud clamor has gone up. David N. Paul, of Charleroi, and his brother received a U. S. Army radiogram from the "Bear of Oakland," flagship of the expedition, which told the story in cryptic flashes.

Their brother, B. W. Paul, assistant chief engineer aboard the "Bear," has wirelessed for 3000 cigarettes by mail.

The radiogram was received by way of Wellington, New Zealand, Buenos Aires and New York City. "Please send me 3000 Lucky Strike cigarettes by mail. Will pay you on my return home. There is a shortage here. Love B. W. Paul."

David and Lester Paul, both of whom are on U. S. Inspection Service boats, bade goodbye to their brother last winter when he shipped with $20 worth of cigarettes and intended to buy more from the ship's store. Later he wired that many of the cigarettes had been damaged and that the shortage would occur.

David Paul lives in Fifth Street, Charleroi, and is stationed on the "Tecumseh." Lester is stationed on a boat of the Jones & Laughlin line and lives on Neville Island, Pittsburgh.—*Bob Wiper, in Charleroi (Pa.) Mail, May 1, 1934.*

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### NO STATEMENT ON TAX CUT

Acting Secretary R. G. Tugwell today made the following statement: "No statement of the attitude of the Department of Agriculture on the proposed horizontal tax reduction on tobacco products has been made. We are giving the matter further study."


It is not too late to make plans to cash in on Father's Day in a big way.

You sell what every Dad likes. Don't keep that fact a secret.

Sunday, June 17th, is the date.

NBC
RED NETWORK
9:30-10 P. M., E. D. T.
New York . . . . . WEAF
Hartford . . . . . WTIC
Providence . . . . . WJAR
Worcester . . . . . WTAG
Portland . . . . . WCSH
Philadelphia . . . WFI-WLIT
Schenectady . . . . . WGY
Buffalo . . . . . WBEN
Pittsburgh . . . . . WCAE
8:30-9 P. M., E. S. T.
Baltimore . . . . . WFBR
Washington . . . . . WRC
Cleveland . . . . . WTAM
Detroit . . . . . WWJ
Cincinnati . . . . . WSAI
8:30-9 P. M., C. D. T.
Chicago . . . . . WMAQ
7:30-8 P. M., C. S. T.
St. Louis . . . . . KSD
Des Moines . . WOC-WHO
Omaha . . . . . WOW
Kansas City . . . . . WDAF


# U. S. Cigars Up Nearly 222 Millions in 10 Months

**TEN MONTHS WITHDRAWALS FOR CONSUMPTION**

| | *1st 10 Mos. Fiscal Yr. 1934* | | *—Decrease +Increase Quantity* |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| U. S. | 3,148,260,000 | + | 303,145,615 |
| P. R. | 49,670,280 | + | 1,345,660 |
| P. I. | 201,927,890 | + | 66,923,130 |
| Total | 3,339,858,170 | + | 371,414,405 |
| Class B— | | | |
| U. S. | 29,666,185 | — | 3,383,127 |
| P. R. | 2,365,100 | + | 1,698,050 |
| P. I. | 187,334 | — | 342,082 |
| Total | 32,218,619 | — | 2,027,159 |
| Class C— | | | |
| U. S. | 476,538,118 | — | 71,949,010 |
| P. R. | 824,180 | — | 99,900 |
| P. I. | 220,018 | + | 394 |
| Total | 477,582,316 | — | 72,048,516 |
| Class D— | | | |
| U. S. | 36,292,337 | — | 5,318,900 |
| P. R. | 1,000 | — | 500 |
| P. I. | 2,200 | + | 124 |
| Total | 36,295,537 | — | 5,319,276 |
| Class E— | | | |
| U. S. | 4,401,849 | — | 668,128 |
| P. R. | ..... | | ..... |
| P. I. | 2,976 | — | 23,847 |
| Total | 4,404,825 | — | 691,975 |
| Total All Classes: | | | |
| U. S. | 3,695,158,489 | + | 221,826,450 |
| P. R. | 52,860,560 | + | 2,943,310 |
| P. I. | 202,340,418 | + | 66,557,719 |
| Grand Total | 3,950,359,467 | + | 291,327,479 |
| Little Cigars: | | | |
| U. S. | 188,495,987 | + | 984,053 |
| P. R. | 2,620,000 | — | 1,484,000 |
| P. I. | ..... | | ..... |
| Total | 191,115,987 | — | 499,947 |
| Cigarettes: | | | |
| U. S. | 93,331,955,912 | + | 9,220,329,366 |
| P. R. | 3,949,800 | + | 1,545,460 |
| P. I. | 1,520,850 | + | 143,240 |
| Total | 93,337,426,562 | + | 9,222,018,066 |
| Large Cigarettes: | | | |
| U. S. | 84,060,700 | + | 81,637,105 |
| P. R. | 855,000 | + | 445,000 |
| P. I. | 6,400 | — | 5,591 |
| Total | 84,922,100 | + | 82,076,514 |
| Snuff (lbs.): | | | |
| All U. S. | 31,582,256 | + | 2,665,087 |
| Tobacco (mfd. lbs.): | | | |
| U. S. | 254,849,883 | + | 4,539,011 |
| P. I. | 81 | — | 131 |
| Total | 254,849,964 | + | 4,538,880 |


**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

.....

**Name**.....

**Street No.**.....

**P. O.**.....**State**.....

Established 1886

*"BEST OF THE BEST"*

OPTIMO CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### NEW REGISTRATIONS

**GERHART'S AFFIDAVIT CIGAR:—46,327.** For cigars. March 31, 1934. E. S. Gerhart, Allentown, Pa.

**TRU-HAVANA:—46,327.** For cigars. M. Block, Brooklyn, N. Y., May 4, 1934. (By consent of Consolidated Litho. Corp., Brooklyn, N. Y.)

**1 BAGGER:—46,332.** For all tobacco products. Harvey's, Syracuse, N. Y., May 15, 1934.

**2 BAGGER:—46,333.** For all tobacco products. Harvey's, Syracuse, N. Y., May 15, 1934.

### TRANSFERRED REGISTRATIONS

**PARK AVENUE:—44,025** (Tobacco Merchants' Association). For cigars, cigarettes and tobacco. Registered by D. Emil Klein Co., Inc., New York, N. Y., November 11, 1924. Transferred to Van Noy Interstate Co., New York, N. Y., and re-transferred by Interstate Co., Chicago, Ill., successors to the Van Noy Interstate Co., to D. Emil Klein Co., Inc., New York, N. Y., May 3, 1934.

**PARTELLO:—18,889** (Tobacco World). For cigars, cigarettes, cheroots and stogies. Registered by Superia Cigar Mfg. Co., Detroit, Mich., October 28, 1909. Transferred by San Telmo Cigar Mfg. Co., Detroit, Mich., successors to the original registrant, to the American Box Supply Co., Detroit, Mich.

**LIFE'S HANDICAP:—19,126** (Trade-Mark Record). For cigars. Registered May 5, 1898, by L. Levy & Son, New York, N. Y. Transferred by Schlegel Litho. Corp., New York, N. Y., who had acquired all brands of the original registrant, to American Box Supply Co., Detroit, Mich., May 10, 1934.

**DON EQUESTRO:—21,888** (Trade-Mark Record). For cigars. Registered December 8, 1899, by Henry Drucker, New York, N. Y. Through mesne transfers acquired by American Box Supply Co., Detroit, Mich., and re-transferred to Elsie Bennett, Detroit, Mich., May 9, 1934.

**FERDINAND MAGELLAN:—133,255** (Patent Office). For cigars. Registered July 20, 1920, by The Harkert Cigar Co., Davenport, Iowa. Through mesne transfers acquired by Henry W. Peabody & Co., San Francisco, Cal., and re-transferred to H. M. Green & Son, San Francisco, Cal., April 24, 1934.

**MYLDA:—46,178** (Tobacco Merchants' Association). For all tobacco products. Registered February 23, 1933, by James C. Trezevant, Tampa, Fla. Transferred to Havatampa Cigar Co., Tampa, Fla., May 7, 1934.

**NEW DAY:—44,537** (Tobacco Merchants' Association). For all tobacco products. Registered March 25, 1926, by Chas F. Pusch Sons, Marysville, Kan. Transferred to J. J. McCauley & Son, Uhrichsville, Ohio, May 14, 1934.

**VETZEL:—46,302** (Tobacco Merchants' Association). For cigars, cigarettes and tobacco. Registered March 8, 1934, by R. P. Vetzel, Melbourne, Fla. Transferred to Melbourne Cigar Factory, Melbourne, Fla., not Inc. (a partnership between R. P. Vetzel and C. E. Daniels), May 1, 1934.

**THREE BAGGER:—5,761** (Tobacco Leaf). For cigars. Registered May 22, 1891, by Lindsey N. Oliver, Boston, Mass. Transferred to H. H. Finley, Syracuse, N. Y., and re-transferred to Harvey's, Syracuse, N. Y., May 22, 1934.

**PANIC:—9,152** (Tobacco Leaf). For cigars, cheroots, smoking and chewing tobacco. Registered November 1, 1894, by Ruhe Bros. Co., Allentown, Pa. Transferred to Geo. W. Zimmerman, Allentown, Pa., April 22, 1918.

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VOLUME 54 No. 12

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
*Cincinnati, Ohio*

**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
*Chicago, Ill.*
*Detroit, Mich.*
*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 JUNE 15, 1934 No. 12

THE current Camel cigarette advertising campaign is more than ordinarily interesting because it is getting down into the reasons why a smoker smokes. "From a famous research laboratory in New York," the text reads, "comes a basic discovery that throws new light on our past knowledge about cigarettes. It embodies an 'energizing effect' . . . a harmless restoration of the flow of natural body energy . . . a delightful relief from fatigue and irritability." Each release is accompanied by a graphic chart picturing the variation of human energy during the day. "Who hasn't felt 'dog-tired' after work . . . with a long evening ahead . . . and dinner time still an hour away? That's just one of the many, many times during the day when you will want to light up a Camel." Elsewhere, the copy treats of the "energizing effect," the "lift which is a release of your own natural energy . . . your latent energy made easily and harmlessly available. So when you're feeling run-down, tired, 'all in,' smoke a Camel and see what happens. That tired feeling slips away. Camels have helped your own body to help itself and bring you back in 'pep' and energy."

THE New York research laboratory quoted in the Camel campaign is not the only recent authority for the belief that there is more to cigarette smoking than a taste which provides ephemeral pleasure. Witness the findings of Profs. Howard W. Haggard and Leon A. Greenberg, of the Laboratory of Applied Physiology, Yale University, whose paper, "The Effects of Cigarette Smoking Upon the Blood Sugar," was reprinted in the March 1st issue of The Tobacco World. These investigators learned that cigarette smoking temporarily relieves a condition of hunger. Witness also the despatch from the eighty-fifth annual meeting of the American Medical Association regarding the cooling of the skin resulting from the smoking of one cigarette. The significance of some of the findings of the scientists may not be clear to the lay mind, but this professional interest must have the ultimate effect of stilling forever the fear of harmfulness attending the sensible smoking of cigarettes. It marks the beginning of the end of what may be termed the negative note in cigarette advertising. It has seemed to us that too much cigarette advertising has been of a negative character. The inference drawn from much of this advertising was that the cigarette, generally speaking, was not a good thing for a person to indulge in, because of its harmful effects, but that the particular cigarette being advertised did not suffer from that general curse. There has been too little, if any, of the positive injunction or suggestion to smoke a cigarette because "it is good for what ails you." And it must be just that.

HOW else account for the volume of cigarette smoking in this country? Those of us in the industry know that 111 billion cigarettes were smoked in the United States during 1933. But that does not by any means represent the total. Nobody knows how many "roll your own" cigarettes were consumed. It has been estimated, however, that fifty-five billion of them were rolled. Be extra conservative, if you will, and cut the figure in half. You still have more than twenty-seven billion cigarettes rolled by smokers last year. Add the conservative "roll your own" figure to that of the machine-made brands. The sum is 139 billion, 352 million cigarettes. Do you realize what that means?

IT MEANS eleven billion, 612 million cigarettes were smoked in one month, or more than were smoked during the entire year 1912, only twenty-one years earlier. It means nearly 382 million cigarettes smoked every day. It means that during the year 1933, every minute of the sixteen waking hours of every day, nearly 400,000 people lighted cigarettes!

NOW the 1933 consumption of cigarettes *in toto* represented a substantial increase over 1932, which showed an advance over 1931, which, in turn, recorded a gain over 1930, and so on. That constant increase in consumption during the period of the depression was true of nothing else. People not only *did not stop* buying cigarettes as they stopped buying everything else, but, on the contrary, they bought more of them than ever. When they could no longer pay fifteen cents a pack, or a quarter for two packs, they bought cheaper cigarettes at ten cents a pack. And when even the dimes became scarce, they started to "roll their own." The point is that *they kept on smoking.* WHY?

THE present Camel series gives one answer to this question. It is not too much to expect that this is only the beginning of a general educational campaign on the part of cigarette manufacturers, pointing out the "why" of the public's recourse to the cigarette as a necessity on an almost equal footing with food. Such a general campaign will not only change the mental attitude of those who still suffer from the nicotine bugbear and are thus still firmly opposed to tobacco in any form, but it will also reassure the great army of smokers who have a lingering fear that their indulgence is not a good thing for them, but continue to smoke in spite of that fear.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Distributors Hear Their Code Is Signed

## Davis, Kolodny and Scrambling Re-elected at Convention

WITH forty-one States represented by delegates in person and six States represented by proxies, thus leaving only one State unrepresented, the second annual convention of the National Association of Tobacco Distributors came to an official end with the election of officers, in the Mayflower Hotel, Washington, on Sunday night, June 10th. Nearly 400 members were present at the convention's deliberations. The two-day convention was characterized by the delegates, who represented the cream of tobacco wholesalers throughout the country, as the best-conducted, most efficient, and the most businesslike gathering of its kind they had ever attended.

E. Asbury Davis, of Baltimore, was re-elected president; Joseph Kolodny, of Jersey City, was re-elected secretary; and George B. Scrambling, of Cleveland, was re-elected treasurer. Among the vice-presidents named: E. C. Dearstyne, Albany; J. P. Manning, Boston; Alex Schwartz, Cincinnati; Jonathan Vipond, Scranton; and Louis Ehrlich, Kansas City, the elections spell a second term for Messrs. Dearstyne, Schwartz, and Vipond.

The conventioneers were welcomed by John Loughran, Washington jobber, who then turned the gavel over to President Davis. After opening remarks by Mr. Davis and supplementary remarks by First Vice-President Dearstyne, Secretary Kolodny read his annual report. Committees on Resolutions, Nominations and By-Laws were then appointed.

An address by Hon. Clyde Kelly, Congressman from Pennsylvania, and father of the bill providing for maintenance of resale prices, marked the opening of the Saturday afternoon session. The report of the treasurer was then read by Mr. Scrambling, and the report of the Code Committee by Mr. Kolodny, followed by open discussion of the code provisions. The event of the evening was the banquet in the main ballroom, rendered more enjoyable by good news regarding Code approval received late in the afternoon.

Evidence of the earnestness of the distributors was had in the attendance at the Sunday morning session, when were heard the reports from the Committee on Resolutions, the Committee on Nominations, and the Committee on By-Laws, previous to a general discussion of measures for the uplifting of the industry, and for the elimination of abuses and harmful practices. Holding a prominent place in these discussions was a plea for a nation-wide publicity campaign.

# Bills Affecting Tobacco Industry

### PRESIDENT SIGNS TARIFF BILL

Both houses having passed the administration measure (H. R. 8687) amending the existing tariff act so as to give the President authority to negotiate reciprocal tariff treaties and to make modifications of existing duties, import restrictions, etc., with the limitation that "No proclamation shall be made increasing or decreasing by more than 50 per cent. any existing rate of duty or transferring any article between the dutiable and free lists," the measure was signed by the President on June 12th.

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### TOBACCO CONTROL BILL APPROVED

The Senate Agriculture Committee on June 12th approved without change the House bill to control tobacco production through taxation. The bill is along the lines of the Bankhead compulsory cotton-control measure passed earlier in the session.

The bill would authorize the Secretary of Agriculture to impose a tax of 33⅓ per cent. of the selling price on growers who refused to abide by quotas assigned by the Farm Administration. He would have the discretion, however, to make this only 25 per cent.

Tax exemption warrants would be issued to growers to enter into the A. A. A. agreements, and in certain counties where the production agreements did not provide an equitable distribution the Secretary could increase the quotas by 5 per cent. The tax would be applicable to all tobacco harvested in the crop year 1934-1935 except Maryland tobacco, Virginia sun-cured and cigar-leaf tobacco.

### HARRISON BILL "DEFERRED"

According to all indications, the so-called Harrison Bill (S. 2897) which would permit States having sales taxes in force to levy such taxes upon goods brought into their States in interstate commerce and which was passed in the Senate, will probably remain *unpassed* in the House.

It will be recalled that considerable opposition has developed against this measure and that very impressive hearings were held before the House Committee at which this bill was most forcefully and vigorously opposed.

It is now reported that the House Committee has announced that consideration of this measure has been "deferred" by the committee, which is interpreted to mean that the bill will remain in the committee unreported.

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### 2 YEARS' LIMIT ON KERR BILL

The Kerr Tobacco Control Bill (H. R. 9690) has been passed in the House with an amendment limiting its duration to two years. It is to be noted that cigar leaf tobacco, Maryland tobacco, and Virginia sun-cured tobacco, harvested in the crop year 1934-1935, are exempted from the tax; and further, that the Secretary of Agriculture may, under certain circumstances, establish quotas for importation of *cigar tobacco, which includes also manufactured cigars*, and impose an import tax upon the excess of such quotas allotted to importers.

The measure is now awaiting action by the Senate. In this connection, it is to be noted that a similar bill—S. 3630—has been pending for some time in the Senate Agricultural Committee without any action thereon.



# Justice Calls for Tax Cut

## Farmer, Manufacturer, Merchandiser and Consumer Would Benefit

**By COL. DESHA BRECKINRIDGE**

THE TAX on cigarettes and other tobacco products had its genesis largely in the thought that not only was tobacco a luxury, but injurious. I do not attempt to give the full record of the imposition of the taxes, but at the beginning of 1917 the tax on cigarettes was $1.25 a thousand; as a war measure on October 4, 1917, it was increased to $1.65, or about 3½ cents on a pack of twenty. On November 2, 1917, it was increased to $2.05 a thousand, a little more than 4 cents a pack. That was the maximum during the war. To make up for the revenue lost because of the coming of prohibition, on February 25, 1919, the tax was raised to $3 a thousand, where it has remained since. The pre-war tax on chewing and smoking tobacco was 8 cents a pound. It was increased to 10½ cents a pound in October, 1917, and in November, 1917, it was increased to 13 cents a pound. On February 25, 1919, it was increased to 18 cents a pound.

In the five years since 1929, when grim privation has marched through the tobacco patch, when the wolf of want has howled at the very door of tobacco growers, the Government has collected over $2,000,000,000 from the tax on tobacco products; the annual revenue taken by the Government through the tax on tobacco has averaged over $400,000,000 a year.

The Government has properly and of necessity appropriated hundreds of millions of dollars of money raised through taxation for the benefit of the growers of wheat and of cotton and of corn and for the producers of hogs and cattle and for the relief of the unemployed in city and in country. Yet during those years it has imposed on one and only one agricultural product of which I know or have been able to learn on which the tax imposed to raise revenue for the war has not been reduced, but increased. It is the only product on which the tax imposed because of the coming of prohibition and the decrease in the revenue from the tax on spirituous and vinous beverages has not been reduced.

### JUSTICE CALLS FOR CUT

Unorganized, inarticulate until they found a voice through Fred Vinson, the tobacco farmers have continued to have the product of their sweat and toil and sacrifice taxed far beyond any other product grown or manufactured in America. Every mandate of wise economy, every dictate of justice demands that there shall be a reduction in this tax and, further, that all who are interested in the production of tobacco shall unite in making that demand effective.

Due to the efforts of Representative Vinson, the Ways and Means Committee, of which he is a member, appointed a sub-committee to investigate and ascertain the facts and report to the full committee. That committee held hearings in Washington in March and April at which there appeared representatives of manufacturers. I have here the report of those hearings. They are interesting, astounding, tragic.

To summarize briefly, yet with practical accuracy, as stated by James C. Stone, who appeared before the committee, a man who in 1933 had thirty acres of land in tobacco that produced one thousand pounds to the acre received for that tobacco approximately $3500, of which the landowner received half and the men and women and children who cultivated and wormed and cut and stripped that tobacco half—less than $1800 each. On that tobacco the government imposed and collected taxes of approximately $30,000.

Is there any justification for the imposition of such taxes? Is there any palliation for governmental officials, whether they be representatives in Congress or officials of the Department of Agriculture, who fail to exert to the limit their influence to have this intolerable burden of indefensible taxation reduced?

The sub-committee, of which Mr. Vinson was chairman, made a report to the full committee that is a condensed yet graphic recital of the facts, with the recommendation that the taxes on all tobacco products be reduced 40 per cent. The Ways and Means Committee, by a vote of seventeen to two, reported a bill providing for such a reduction. Mr. Doughton, chairman of the Ways and Means Committee, has submitted a report favoring the passage of that bill.

### HEARD NONE IN PROTEST

We heard scores testify at the hearings in Washington. We have talked with many more. We have heard no human being, either directly or indirectly, attempt to justify the present tax. There are some who have said that the Government could not stand the loss of revenue that would come through the reduction of the tax. There are others who favor what they call a graduated tax, instead of the horizontal reduction.

The question of the loss of revenue that the Government will suffer is analyzed conclusively in the report by the Vinson committee. As based on the figures of 1933, when the aggregate tax on tobacco products was approximately $400,000,000, the possible loss to the Government through a 40 per cent. reduction would be $160,000,000. The increase in the use of cigarettes in the first two months of this year indicates that there will be an increase of at least 15 per cent. in the consumption of cigarettes this year. In January and February of this year, the last two months for which I have the figures, the revenue from tobacco taxes increased by $12,000,000, which would indicate an increase of $72,000,000 in the tax on cigarettes alone in 1934 over 1933, which would make the tax paid on tobacco products $472,000,000.

This natural increase would, in large measure, make up for the 40 per cent. reduction. In 1929 there were approximately eight billion cigarette papers used in roll-your-own cigarettes, upon which taxes were paid. In 1933 taxes were paid on 48 billion cigarette papers—six times as many papers sold for roll-your-own cigarettes in '33 as in '29. It takes two pounds of tobacco on which the Government at present collects eighteen cents to make 1000 roll-your-own cigarettes. It takes three pounds of tobacco on which the Government collects a dollar a pound, and under the

reduction would collect sixty cents a pound to make 1000 manufactured cigarettes.

### WOULD LOWER PRICES

With the reduction of 40 per cent. the price of the cigarettes known as standard brands would be reduced so that they would be retailed at ten cents a package, enabling the purchaser to buy three packs for thirty cents, for which he now purchases two. It would enable the manufacturers of ten-cent cigarettes to retail their cigarettes with larger profit at two packages for fifteen cents.

Can any one doubt that with the reduction of 33 1-3 per cent. in the price of standard brands and 25 per cent. in the price of the ten-cent cigarettes that there would be an enormous increase in the use of manufactured cigarettes; that millions of those who since 1929 have made the sale of cigarette papers jump from eight billion to forty-eight billion would return to the use of manufactured cigarettes?

What would be the increase in the consumption of cigarettes none may tell with absolute accuracy. The estimates vary from 20 to 75 per cent. James C. Stone, whose judgment by reason of his ability and experience is entitled to respect, stated on the stand that in his opinion a decrease of 50 per cent. in the tax would in time increase the consumption over 50 per cent.

The authorized spokesman for the Big Four companies stated before the committee that if the 40 per cent. reduction in taxes were made the companies would sell their cigarettes at a price so that they could be retailed at ten cents.

The difference between the amount paid by consumers under the present tax and the amount that would be paid by them under the reduction, only on the consumption of last year, amounts to $136,000,000, which would be left in the pockets of the consumer to spend for other products.

### CONSUMER BENEFITS, TOO

The man who uses one package of cigarettes a day, the tax on which is six cents, pays in taxes $21.90 a year. Under the statement by the spokesman for the great companies, none of the tax reduction would be retained by the companies. We have no illusions that the great companies are benevolent associations formed and conducted for the benefit of the growers. They were organized and have been conducted and will be conducted for the benefit of the stockholders. The profits they have made have been out of all proportion to the return to the tobacco growers. But under this administration the full benefit of the reduction of taxes will be passed on to the consumer. With the inevitable increase in the consumption of cigarettes, with a certain and inevitable increase in the price of tobacco because of the increased demand, in my judgment, the manufacturers both of the present fifteen-cent and the present ten-cent cigarette will make as great or greater profits than they now make because of the greater consumption. That is the only chance they will have to make more, by increasing the consumption of cigarettes and tobacco products, leading to an increased demand for the raw tobacco.

From 1919 to 1929 the average for burley tobacco was, as I recall, between twenty-one and twenty-two cents. From 1929 to 1934 the average was between ten and eleven cents. I am as certain as I am of the rising of the sun that with this reduction the average for burley tobacco will equal or exceed the average paid before '29. I believe it will be higher than that average, but that is a matter of opinion, the correctness of which can not be proved until the reduction is made.

Speaking from my own experience, with full appreciation of the fact that you gentlemen may know more than I, I do not believe that many, if any, realize to the full the possibilities of the reduction in the tax on tobacco, nor the vital part that tobacco plays in the well being and happiness of the people of the state.

### IS BOON TO FARMERS

I do not take time to go into the figures. I only ask all of you to ascertain the full facts for yourselves and clothe them with your imagination. There are more than 100,000 tobacco farmers in Kentucky, the great majority of whom are today just hanging on the edge of self-sustained subsistence. An increase of 50, or if I am correct, a 100 per cent. in the price of tobacco this coming year, which will come with the reduction of the tax, will raise them and their families above the danger of being submerged. If they are submerged the Government, under the policy of this administration, must and will care for them, which will cost more than the Government will lose through the reduction in the taxes.

Not only will those hundred thousand tobacco farmers be benefited, but every one in their community—the doctor, the lawyer, the merchant, the school teacher, the laboring man, every one who is benefited by the circulation of the golden stream that comes from the sale of the golden leaf—will be benefited and communities made more self-sustaining, with what I believe the certainty, most assuredly the possibility and probability that instead of requiring aid from the Government they will be able to extend aid to others.

There are some mysterious forces opposing the passage of the Vinson bill. What they are I have been unable to ascertain sufficiently accurately to make public statement. Yet whatever they are they should be exposed to the light that all may know who favors and who opposes this reduction.

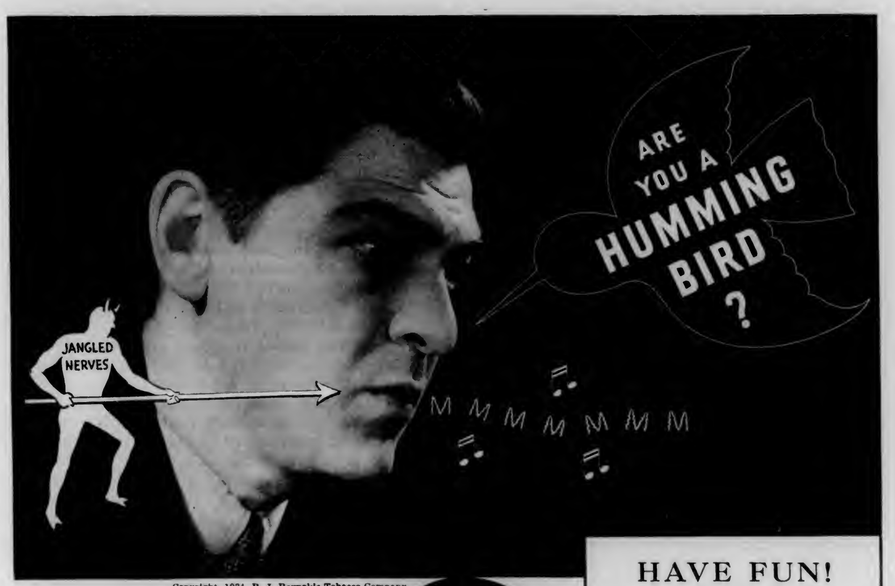
### THE GRADUATED TAX

Just a word, and only a word in regard to the so-called graduated tax as favored by Mr. Axton and by Brown-Williamson. The only man whom I know who declares himself in favor of it who has no direct or indirect financial interest in the manufacture of ten-cent cigarettes is Mr. James C. Stone, for whose opinion I have great regard, yet who in a two-hour conversation that I sought with him when I was trying to inform myself and studying the question convinced me by his argument in favor of the graduated tax that it was impractical and would be of inestimable injury to the tobacco growers.

I want the manufacturers of ten-cent cigarettes to succeed; I want every factory that furnishes an outlet for the growers of tobacco to succeed and expand. But I am absolutely convinced of two things; first, that the imposition of the graduated tax would drive the manufacturers of all cigarettes to the ten-cent cigarettes, requiring a lowering of the price paid for tobacco, and, further, that there is no possibility

*(Continued on Page 16)*



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...It's irritating and it means... jangled nerves!

Yes, it's irritating to listen to that constant, tuneless humming—and more than that, the humming is a sign of jangled nerves.

If you notice any of those telltale nervous habits in yourself—if you whistle through your teeth—juggle your keys—drum on the table—then it's time to start taking care of yourself.

**Get enough sleep—fresh air—recreation—and watch your smoking... Remember, you can smoke as many Camels as you want. Their costlier tobaccos never jangle your nerves.**

HAVE FUN!

*Send for* FREE *Game Book*

New—illustrated book of 20 ways to test nerves. Fascinating! Amazing! "Show up" your friends. See if *you* have healthy nerves. Send fronts from 2 packages of Camels with order-blank below... Free book is sent postpaid.

CLIP AND MAIL TODAY!

R. J. Reynolds Tobacco Company
Dept. 112-D, Winston-Salem, N. C.

I enclose fronts from 2 packs of Camels. Send me book of nerve tests postpaid.

Name.....
(PRINT NAME)

Street.....

City..... State.....

Offer expires December 31, 1934

*COSTLIER TOBACCOS*

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

CAMELS— SMOKE AS MANY AS YOU WANT... THEY NEVER GET ON YOUR NERVES!

# Decrease in Manila Shipments Betokens Increase in Quality

HERE'S an important cigar man who is actually elated over advance news that May shipments in his branch of the industry have decreased at least 20 per cent. in comparison with April. "That's the most hopeful sign that has appeared for a long time," he says. Who is this gentleman, and how does he explain this paradoxical comment? Just a minute. Meet Mr. C. A. Bond, tobacco agent for the Philippine Government since 1917, who has just completed a tour of the country in the interest of Manila cigars.

"If the released figures show the 20 per cent. decrease under April, as indicated by the advance unofficial reports," he will tell you, "that can mean only one thing, namely, that the campaign to put an end to the shipment of inferior merchandise from the Philippines to this country has proved immediately successful. And when I refer to that as the most hopeful sign that has appeared for a long time, I mean it is tangible evidence of the partial eradication of an evil which in my opinion, is responsible more than any other single factor for the decline of cigar smoking, and that is the offering for sale of cigars of such a quality that men got anything but pleasure from them and, through them, became estranged from the cigar as a form of relaxation.

"When the unsatisfactory quality of some of the cigars was suggested to Governor General Frank Murphy, of the Philippines, as the reason for the decline in Manila business as compared to that of several years ago, an investigation was started. Under his direction, the Collector of Internal Revenue notified Manila factories that Government approval would be refused to shipments of all cigars to this country under a price of $17 less 2 per cent. wholesale, excepting shipments to States imposing special taxes, where the minimum price would be $16.50 less 2 per cent. My colleague, David Morris, and I were instructed to report at once every instance of a violation of this ruling that came to our attention. We are engaged in that work now.

"So it is no paradox at all for me to rejoice over the reported decrease for May. I am convinced that, with the elimination of practices which have allowed this country to be flooded with a cheap product from the Philippines, the Manila cigar will rise from its present too general acceptance as a 'two-fer' and will resume its old position as a good cigar of high quality.

"There was never a time when the trade was as clean as it is right now. The cigars are coming in a good, undamaged condition. We have eradicated worm trouble. We have improved shipping facilities, obviating the danger of mold. And by administrative order of the Clerk of Internal Revennue, no shipment can be made until the cigars have been manufactured and completed at least two weeks, when they are boxed and carefully prepared for shipment, so that resweating is no longer required; the cigars do not deteriorate and become musty.

"There is no doubt in my mind that the principal cause for the present condition of the cigar business has been deterioration of quality and lowering of price. For that reason we are hoping for a speedy approval of the tobacco codes, which, we believe, will help to prevent future price reductions and restore competition on the basis of quality rather than on the basis of price.

"We have been through this low quality-low price situation before. In fact, it was back in 1915 that, because of a falling-off in shipments due to what seemed like a policy of 'any old thing at any old price', the Philippine Government passed a law requiring an inspection of shipments under a standard carrying a Government guarantee. Shipments then jumped from 60 million in 1915 to 110 million in 1916, 240 million in 1917, and 320 million in 1920.

"The Islands, you know, are proud of their cigar industry, and they have good reasons to be. Tobacco culture there dates back to 1578, when a patch of tobacco was grown in La Union Province from seed brought from Mexico, by Padres Gomez and Sebastian. There is a tradition, too, that another priest, Padre Jose Garcia, grew superior leaf in the Cagayan Valley from seed he brought from Cuba.

"The first shipment of Manila cigars to the United States came to Salem, Mass., in 1818, and until the close of the Civil War Manilas were imported cigars commanding the highest price in American cigar stores. Since 1909, when free trade was introduced between the Islands and the United States, Americans have been buying Manilas in commercial quantities.

"The Philippines export more cigars than any other country in the world. Their factories keep 20,000 men at work. The cigar industry is the only one in the Islands employing handwork on such a grand scale. And it is significant, on the other hand, that the United States merchandise sold in the Philippines is all highly processed. That is still another reason why it is good to note the signs of a return to the old conditions of quality manufacture of quality Manilas, assuring the continued employment of these 20,000 handworkers."

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### SCHOPBACH-WHITE

A VERY pretty wedding was solemnized at 4:30 P. M. on June 2d, at the home of Mr. and Mrs. I. B. White, when their daughter, Miss Wilhelmina R. White became the bride of Carl Schopbach, of Collingswood, N. J. The house was beautifully decorated with spring flowers, which made a fitting setting for the ceremony. The bride was given in marriage by her father and was attended by her sister, Miss Amelia White. Frank Shrewsbury, a college chum of the groom, acted as best man.

The bride is a graduate of Ursinus College, where she received her B. A. degree in 1933, and the groom is a graduate of Haverford College, where he received his B. A. degree in 1932.

The father of the bride, I. B. White, has been associated with the old established firm of John Wagner & Sons, for a number of years, as manager of their cigar department, and is well known throughout the retail cigar and tobacco industry in this territory.

After a honeymoon trip to New York City and New Jersey seashore points, the happy couple will reside in Collingswood, N. J.

# Tobacco Markets and Conditions as Reported from Abroad

AUSTRIA—According to American Commercial Attache T. L. Hughes, reporting to the Tobacco Division, Department of Commerce, the volume of sales of the Austrian Tobacco Monopoly during the first two months of 1934 showed a slight increase, but since the greater percentage of retail sales consists of the cheaper varieties of tobacco products, there was a decline of about 5 per cent. in revenues.

The consumption of cigars, cigarette tobacco and pipe tobacco increased, sales of snuff were maintained at about the same level, but the quantity of cigarettes and chewing tobacco consumed during the period declined as compared with the same period of 1933.

BRITISH MALAYA—Imports of leaf tobacco into British Malaya during 1933 amounted to 2,588,287 pounds, of which 37.7 per cent., or 966,301 pounds, were imported from the United States as against 1,957,331 pounds, or approximately 50 per cent., of the 1932 total.

According to a report from the office of the American Trade Commissioner at Singapore, made public by the Tobacco Division, Department of Commerce, British Possessions furnished 1,407,809 pounds, or 54.4 per cent., of 1933 leaf tobacco imports, as compared with 40 per cent. of the total during 1932. The volume credited to British Possessions in 1932 was 1,544,250 pounds out of total imports of leaf amounting to 3,877,713 pounds.

In 1928 the United States supplied 1,192,840 pounds of leaf; in 1929, 1,478,691 pounds; in 1930, 2,940,213 pounds; in 1931, 2,451,387 pounds; in 1932, 1,957,331 pounds. This is an annual average of 2,004,090 pounds, or 30.8 per cent. of all leaf imported during the five years. During the same period of five years British Possessions furnished 60 per cent. of all leaf imports.

The United Kingdom practically dominates the foreign cigarette market of British Malaya through one large British concern with factories in the United States and England. Up to 1931 large shipments of cigarettes were made from the United States but in that year the volume was small and in 1932 and 1933 shipments from the United States were negligible when compared with total volume imported. Official records for 1933 credit the United Kingdom with 5,748,334 pounds, British Possessions with 520,920 pounds and the United States with 4731 pounds, out of total imports of cigarettes amounting to 6,652,762 pounds.

Cigarette imports into British Malaya have shown a downward trend since 1925. The volume imported that year was 15,398,156 pounds, dropping by a few million pounds one year after another until 1932, when the volume reached 5,160,020 pounds. There was an increase in 1933 amounting to 29 per cent.; however, the increase in total value was less than 1 per cent., the respective values amounting to $10,625,958 and $10,690,204.

The large imports of cigarettes from the United States during the years 1927 to 1930, inclusive, were made almost entirely by the large British company before mentioned. As indicated, large amounts of these cigarettes were reshipped to nearby markets, principally to Netherland India. A changed company policy caused practically all of the re-export business from Singapore to be stopped in 1931. It is not expected that imports of American cigarettes during 1934 will show any appreciable change as compared with those made during the years 1932 and 1933.

As regards imports of American leaf tobacco, those during 1933 were substantially below the quantities in the preceding years, owing primarily to the fact that the Singapore cigarette-making plant of the large international concern aforementioned curtailed its activities steadily during that year and by the end of 1933 operations had practically ceased. Small amounts of leaf remaining on hand were still being used during the early part of 1934 for the manufacture of cigarettes. Certain amounts of American leaf are expected to be brought in for use by the plant at Kuala Lumpur but it is expected that this leaf will be received from the company's warehouses in England rather than from the United States direct. Accordingly, it is predicted that imports of American leaf from the United States direct will be extremely small during 1934.

CHINA—The new Chinese cigarette tax schedule adopted in early December, 1933, which represented more than a 45 per cent. advance in the tax rate on the second or low grade cigarettes constituting the bulk of the trade, is said to be without question a strong factor virtually forcing manufacturers (in efforts to absorb the increased tax without raising prices any more than necessary) to reduce to a greater degree than ever before the American leaf content in many of their brands—in fact, to eliminate American leaf entirely from many low priced brands of cigarettes.

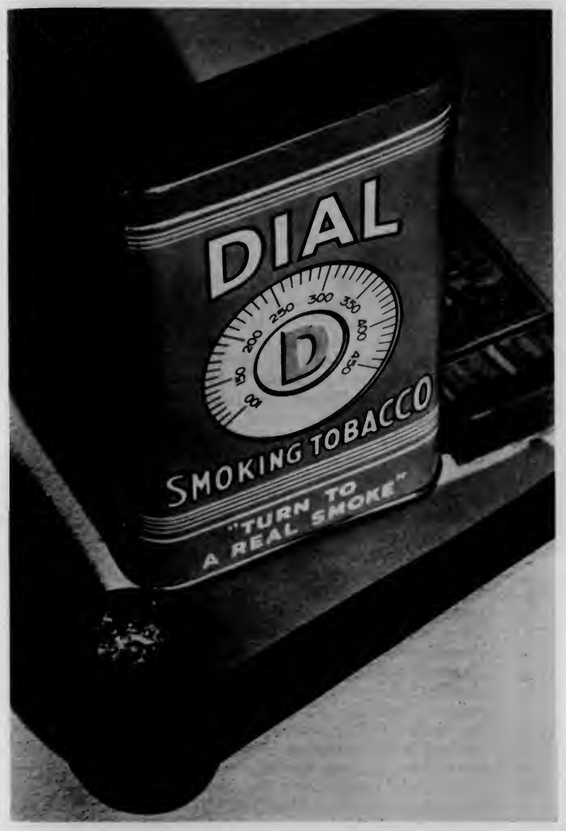
In an analysis of the Chinese tax situation as it affects the consumption of American tobacco in China, American Assistant Commercial Attache A. Bland Calder advises the Tobacco Division, Department of Commerce, that since the institution early in 1928 of the "National Cigarette Tax" of 22½ per cent. on domestically manufactured cigarettes, the tobacco business has undergone periodical increases in taxation as necessitated by the continually pressing financial problems of the National Government at Nanking in the vicissitudes through which it has passed since its formation on April 12, 1927.

SUMATRA—Although it is much too early to attempt a forecast of the 1934 Sumatra tobacco crop now being planted, there are certain indications of its probable quality and size, as compared with that of 1933. American Consul D. W. Maher advises in a report, made public by the Tobacco Division, Department of Commerce, that no definite idea of the planted area can be had until some time later when the planting is completed, but there is reason to believe that the total area will be about the same as in the preceding year. The large producing companies are making no effort to reduce their production from the 1933 figure, and most of them are preparing planting ground approximately equal to that of 1933.

The fact that recent crops have been the smallest in the past forty-five or forty-six years allows the selection of the best land, both from the point of view of production and freedom from pests and disease. It




GIVE DIAL A WHIRL . . .




*and*

TUNE IN THE DIMES!

A good number? Right! The new Dial smoking tobacco is a smooth blend of fine white Burley tobaccos. Crimp—cut to make it a cool, slow burner. Mild, but just mild enough to keep 'em coming back for more. A full one and three-quarter ounces to the tin—at least four more pipefuls than in the regular one-and-a-half-ounce tin. FREE cigarette papers. And it sells for a dime at a nice profit to you. . . . How's your stock?

Brown & Williamson products are designed to bring you the most profit in all lines and prices. Are you getting your share of profit from these live selling items: Kool, the largest-selling 15-cent mentholated cigarette; Raleigh, now selling at the price of ordinary cigarettes; Wings, the popular quality 10-cent cigarette; Sir Walter Raleigh Smoking Tobacco, 15 cents and famous for its mildness; Target, a genuine blended cigarette tobacco for 10 cents; Dial Smoking Tobacco, a smoother blend of Burleys for a dime—full 1¾ oz. to tin; Bugler, a blended cigarette tobacco for a nickel; and Golden Grain, the big 5-cent bag of roll-your-own.

could be assumed that with similar weather conditions the 1934 crop would be about the same as the preceding one. In 1934, however, the month of January was one of the wettest on record—a condition unfavorable to the preparation of seed beds and tobacco fields, as well as unfavorable to the harvesting of paddy for the workers—which is a consideration of more importance than usual because of the increased price of rice. Over large areas of the growing section rain was recorded every day in January, and it was believed for a while that the crop would be adversely affected, but the month of February was unusually dry, with short but frequent rain showers—a most favorable condition for development of the young plants and it is now evident that the weather has had practically no ill effect.

The Sumatra producers are still facing conditions that have seldom been worse. The demand for cheaper cigars and large unsold cigar stocks have a direct effect on the producers of the expensive Sumatra wrapper. The American market last year took only 30 per cent. of the amount of Sumatra tobacco imported in more favorable years, and the amounts taken by the German market were similarly reduced. There is little reason to believe that these important markets will improve greatly in 1934. There has been some local agitation to take measures against the high tariff imposed on tobacco by the United States. Although the Dutch buy only about 5 per cent. of the total American exports of non-manufactured tobacco, the producers are inclined to believe that a plan to raise the duty on tobacco imported into Holland might secure a more favorable rate on Sumatra tobacco imported into the United States. The local producers are also disturbed by the possibility of increased use of the cheaper Java wrapper tobacco, as illustrated by the tendency of the German manufacturers to use as wrappers grades of tobacco formerly used as binders.

On the brighter side of the picture is the large reduction in stocks. According to figures published locally, the excess of world consumption of Sumatra leaf in 1933 over sales in that year amounted to 37,000 bales, which indicates that there are no more large stocks on hand to depress the market. Prices at the 1934 sales are consequently expected to be higher than in 1933, provided that world consumption stays around the same level. Even if this should be the case, the producing companies can expect little profit, because they have less tobacco to sell. To the producing companies a substantial rise in price is particularly important, to make up for their lower production and decreased reserves, and only a very modest dividend on capital stock can be expected at best. After several years of heavy losses it is to be expected that most of any profit made will be used to strengthen the financial position of the producing companies.

CANADA—Canadian tobacco production in the past five years has been featured by an increase in acreage of bright flue-cured tobacco, mainly in the largest tobacco region of Canada, in Southwestern Ontario. It is stated by American Consul D. C. Woods, in a report made public by the Tobacco Division, Department of Commerce, that the production of the flue-cured type was about 23,000,000 pounds in 1933 against 8,500,000 pounds in 1928. This was offset partly by a decrease in production of dark tobacco. The 1933 Burley crop was estimated at 9,000,000 pounds. Total production of tobacco in Canada in 1933, of which 85 per cent. came from Norfolk and Essex Counties on the shores of Lake Erie, is estimated at about 32,000,000 pounds, against 54,094,000 pounds in 1932. Drought and high winds reduced the 1933 crop and impaired its quality. Prices averaged 16 cents a pound in 1933 against an average of 11.3 cents in 1932, so that the return to farmers was $5,201,490 against $6,088,300 in 1932, and $7,177,540 in 1931. About one-third of the Canadian crop is exported, practically all going to the United Kingdom.

The reduction of the Canadian excise tax from $6 to $4 per thousand has aided the demand for cigarettes, but their retail prices are still twice as high as for similar grades in the United States. Cigar consumption in Canada has dropped from 180,000,000 in 1930 to about 114,000,000 in 1933. This has been accompanied by a shift to the cheaper priced cigars. Decreases in the use of plug tobacco have been accelerated since 1930, but cut tobacco sales, until recently, showed a small increase. The Ontario tobacco trend favors further reductions in crops of Burley and cigar leaf, with more effort to produce varieties for the requirements of the British market. Increased domestic absorption of flue-cured is expected to be counter-balanced by a reduced export demand.

ROTTERDAM—Conditions in the Netherland market for American leaf tobacco underwent no changes of any importance during April, and a very quiet tone prevailed, with prices practically unchanged. American Vice Consul H. L. Rose advises that in the trade it is considered that inactivity still comes from excessive replenishment of stocks by both manufacturers and the smoking public prior to the going into effect of the new Netherland excise law on April 1, 1934. The dullness is also ascribed to the unfavorable general situation and the greatly reduced spending power of the public.

As made public by the Tobacco Division, Department of Commerce, the report of the vice consul states that some transactions were made in Burley and Bright Virginia types. One contact alleged that during April United States firms had repurchased Bright Virginia tobacco from Netherland owners at a premium of $1.50 per 100 pounds. There was little business in Kentucky-Tennessee varieties, but a fair demand existed for Seedleaf tobacco, which was offered at very cheap prices. Seedleaf is principally used as binder material for cigars and is competing against Java grades. A revival is not expected in the very near future by the men of the trade consulted.

Total imports into the Netherlands of American leaf tobacco during March 1934 (figures for April are not yet available) aggregated 1,060,412 pounds, gross weight, valued at 226,000 florins. As against March, 1933, a decrease by weight amounted to 3.2 per cent., but as compared with February, 1934, the weight imported declined by 59.3 per cent., principally because of heavy imports of Virginia and Kentucky tobaccos during February of this year. The value dropped by 24 per cent. as compared with March, 1933, and by 54.2 per cent. as against February, 1934.

YUGOSLAVIA—The State Monopoly of Yugoslavia has concluded a special agreement with the French Tobacco Monopoly providing for the sale of Yugoslavia cigarettes in France, and of French cigarettes in Yugoslavia. Heretofore, foreign tobacco products were not on sale in Yugoslavia. Four brands of Yugoslav cigarettes are already on sale in France. The following French brands will be available in Yugoslavia: Week-End, Gitanes-Maryland, Gauloises-Maryland, and Gauloises-Caporal-Maryland. (American Consul R. P. Clark.)

Dealers say:
"El Producto appeals to my pocketbook—it always builds profitable quality business."
EL PRODUCTO
for real enjoyment 10 cents AND UP
© H. P. CIGAR CO., INC., PHILA., PA.

GERMANY—The Federal Ministry of Economics has decreed new regulations for the German cigarette industry to include those who had refused to join the former voluntary cartel agreements. All factories are included, prices are fixed and production regulated. The new agreement regulates the sale of cheap cigarettes which were the direct result of the crisis and the reduced public purchasing power. These cheap cigarettes account for 17 per cent. of total consumption. All advertising of these brands is prohibited. The erection of new cigarette factories, as well as the enlargement of existing plants, has been prohibited. (American Acting Commercial Attache Douglas Miller.)

SWEDEN—The Swedish Tobacco Monopoly Company has reported a net profit of 9,700,000 crowns for 1933, compared with 7,420,000 crowns for 1932. The board of directors recommended a 5½ per cent. dividend on both preferred and common stock, requiring 1,650,000 crowns; that the earnings and price regulating fund be increased by 2,000,000 crowns; and that 6,040,000 crowns be added to the cash reserve. During 1933 the Monopoly delivered 73,660,000 crowns to the State in the form of tobacco taxes compared with 72,320,000 crowns in 1932. In addition, the State, as holder of the common stock, has received 1,590,000 crowns in dividends for the year 1932 and 10,000,000 crowns drawn from the reserves of the company, or altogether 85,250,000 crowns. Since 1915, when the Monopoly was established, the company has paid to the State in the form of taxes, dividends, etc., a total of 1,108,000,000 crowns. (American E. E. & M. P. L. A. Steinhardt.)

CZECHOSLOVAKIA—Revenues of the Tobacco Monopoly of Czechoslovakia in March reached 147,000,000 crowns compared with 156,000,000 crowns in March, 1933. During the first quarter of 1934, revenues amounted to 401,000,000 crowns compared with 418,000,000 crowns during the first quarter of 1933. (American Commercial Attache S. E. Woods.)

CUBA—Figures furnished by the Cuban Tobacco Defense Commission show that exports of tobacco and tobacco products from Cuba during April, 1934, amounted to $967,272 as against $1,113,220 during April of the preceding year. Gains were registered in exports of cigars, cigarettes, and smoking tobacco, compared with April, 1933. Leaf tobacco suffered a decline. The decline in leaf was nearly 33 per cent. Increases were: Cigars 28 per cent., cigarettes 88 per cent., and smoking tobacco over 200 per cent. During April, 1934, exports totaled 1,257,637 pounds of leaf, 4,363,234 cigars, 4,533,257 cigarettes, and 41,167 pounds of smoking tobacco. Exports of tobaccos during the first four months of 1934 were valued at $4,574,501 as against $3,919,017 for the corresponding period of 1933, a gain in value of approximately 17 per cent. (American Commercial Attache W. J. Donnelly.)

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John Flanigan, manager of the M. J. Dalton stand at 617 Chestnut Street, has arranged an attractive window display featuring appropriate gifts for Father's Day. Needless to say the front and center of the display is occupied by cigars in popular shapes, sizes and prices.

# PHILADELPHIA.

### MAY BAYUK'S PEAK MONTH

ACCORDING to a statement recently issued by H. S. Rothschild, president of Bayuk Cigars, Inc., shipments of cigars for the month of May were the largest for any month in the history of the company . . . You can't get within a block of that place without sensing that big business is going on . . . Joseph L. Sims, Bayuk salesman, is putting in some good work in the Peoria (Ill.) territory where sales of the company's brands are supervised by the St. Louis branch office . . . Wagner & Surendorf, Logansport (Ind.) assisted by Bayuk salesman, C. M. Bristow, recently completed a successful drive for greater distribution and sales of Bayuk Phillies in that sector . . . Frank J. Miller, chief clerk of the Rochester (N. Y.) branch, is convalescing from an illness which caused his absence from duty during the last several weeks.

### WILL & JENKS ON THE GO

AS total cigar withdrawals continue to increase, they're feeling pretty good, thank you, up at G. H. P. headquarters over the gratifying share of the bigger business that is coming to El Producto and La Azora . . . Frank P. Will, executive vice-president, has left for a ten-day trip through the Middle West . . . D. A. Jenks, assistant general sales manager, has just returned from a sales jaunt that took him as far as the Twin Cities . . . W. B. Poinsette, president of Myers-Cox Co., distributors of G. H. P. brands in the Dubuque, Iowa, section, stopped at the factory on his way to the distributors' convention in Washington . . . Sam Hirsch, of the Estate of J. N. Hirsch, responsible for the good showing of El Producto and La Azora in Atlanta, Georgia, and thereabouts, ran up from Washington after the convention and made a tour of Philadelphia under the capable guidance of Mr. Will.

John Wagner & Sons, local distributors, report a splendid business on Don Sebastian, Garcia y Vega, Monticello and their Wagner brand of cigars, particularly in the Class C and D.

Joe Perez, of Marcelino Perez & Co., Tampa manufacturers, was a visitor at Yahn & McDonnell, local distributors, last week, and reported business increasing on his Redencion brand.

## Trade Notes

Benjamin Lumley, representing the Garcia y Vega factory in this territory, is now on a trip through Western Pennsylvania, where he is visiting the retailers and distributors in that section.

James Heaney, representing the American Tobacco Company, on their Antonio y Cleopatra brand, was in town last week visiting the local distributor of his brand.

Herman Abrams, recently appointed representative for the Medalist factory, in this territory, has been doing a splendid job on this brand here and sales are showing a fine increase.

Yahn & McDonnell have taken on the new Julep cigarette for distribution here and an aggressive sales campaign will be waged on the brand soon. The Julep is Mint flavored and retails at twenty for fifteen cents.

John L. McGuerty, Romeo y Julieta representative in the United States, was a recent visitor in Philadelphia, and reported business increasing on his brand. John Wagner & Sons, local distributors of Romeo y Julieta, also report a fine increase in demand for this brand, and are continually oversold on many sizes.

Abe Caro, Optimo representative, was in town last week and was highly pleased with the progress Optimo is making in this territory under the able guidance in distribution of Yahn & McDonnell. Abe stated that this increase was in line with what this brand is doing also in other sections of the country.

H. L. Bush, Colwell Cigar Machine Corp. representative, has also taken on the J. W. Giles (of Philadelphia) account, and is now accepting orders for both these houses, which include bunch machines and supplies, and also replacement parts for bunching and stripping machines.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

ALTHOUGH given the hearty support of the House Ways and Means Committee, considerable doubt prevails as to whether it will be possible to pass the tobacco tax reduction bill during the present session of Congress. Much depends, it is admitted, upon when the session adjourns. If it ends June 16, it is practically impossible that action will be secured, but if Congress lingers on the tax bill and several other measures may "float with the tide" and be passed. As reported to the House of Representatives, the tax on light cigarettes would be cut from $3 to $1.80 per 1000, and on heavy cigarettes from $7.20 to $4.32 per 1000; the levy on cigars weighing not more than three pounds per 1000 would be cut from 75 to 45 cents; on cigars retailing at not more than five cents each, from $2 to $1.20; on cigars selling at not more than eight cents, from $3 to $1.80; on cigars selling at not more than fifteen cents, from $5 to $3; on cigars selling at not more than twenty cents, from $10.50 to $6.30; and on more expensive cigars, from $13.50 to $8.10. The tax on tobacco and snuff would be reduced from 18 to 10.8 cents per pound.

"We feel that this proposed horizontal reduction of 40 per cent. of the taxes on tobacco products will protect best the interest of the farmer, will save untold millions of dollars annually to the wage earners and the tobacco consumers of this country, will provide a proper and just return of revenues to the Treasury, ultimately making up for temporary decrease, all without any added profit per unit to the manufacturers," the committee held.

Outlining the history of tobacco taxes, which were increased materially during the World War period, the committee in its report took the attitude that the present tobacco taxes are prohibition taxes, the last increase —to present levels—having been made after ratification of the Eighteenth Amendment. Accordingly, now that prohibition has been repealed, the committee feels that the taxes on tobacco should be materially reduced.

GROWERS of cigar-leaf tobacco of the stemming grades are assured of prices approximately double those of last season for 18,500,000 pounds of their holdings of tobacco by a marketing agreement announced by the Agricultural Adjustment Administration June 11th. Bloch Brothers Tobacco Company, Liggett & Myers Tobacco Company, P. Lorillard Company and Scotten-Dillon Company are signatory to the agreement, effective as of December 1st, last, and applying to tobacco produced in New York, Pennsylvania, Ohio, Indiana, Minnesota, Wisconsin, Connecticut, Massachusetts, New Hampshire and Vermont.

AFFIXING his signature to the corporation bankruptcy bill, President Roosevelt this month paved the way for the release of numerous corporations from the hands of receivers. Under the act, all creditors will be bound to accept a court-approved plan of reorganization to which holders of two-thirds of the total amount of claims and of a majority of the stock have agreed. The legislation is expected to save to industry many corporations which otherwise would be forced to go through bankruptcy proceedings, in many instances eventually being put out of business with consequent increased unemployment and loss of investment.

Any stockholder or creditor may file a petition for reorganization of a distressed corporation if backed by holders of 25 per cent., in amount, of each class of claims, amounting to 10 per cent. of the total; if the corporation is not actually insolvent but merely unable to meet its obligations, holders of 10 per cent. of each class of stock, and at least 5 per cent. of the total, must agree. A debtor corporation, however, may itself file a petition without securing the approval of creditors or stockholders.

Plans of reorganization are to provide for the scaling down of the interests of both creditors and stockholders to a point where the company can eventually "pay out."

MANUFACTURERS in the tobacco industry in need of additional capital will be able to satisfy their necessities in the near future through the Reconstruction Finance Corporation, which has been authorized by Congress to make loans direct to industry. Under the terms of the legislation, the corporation would be empowered to make advances on promissory notes, acceptances, rediscounts or other collateral, until January 31, 1935, to any established industrial or commercial business, to enable it to obtain working capital, reduce or refinance its outstanding indebtedness or make plant improvements or replacements. Such loans would run for periods as long as five years.

(*Continued on Page 17*)

# Justice Calls for Tax Cut

(*Continued from Page 6*)

of any bill going through congress this year nor next year reducing the tax on tobacco products except the bill providing for the 40 per cent. horizontal reduction.

I base that statement upon statements made to me by members of the Ways and Means Committee, by other representatives and Senators who have given the subject most careful study and have reached definite conclusions that the graduated tax would be injurious instead of beneficial to the tobacco growers, however beneficial the manufacturers of the ten-cent cigarettes may think it would be to them.

### WILL INCREASE CONSUMPTION

There is no one—tobacco grower, smoker or chewer, manufacturer, public official—I have ever heard deny that a horizontal reduction of the taxes would increase the consumption of tobacco and would benefit both the grower and the consumer.

From 1919 till 1929 the use of manufactured cigarettes increased; from 1929 to 1934 the consumption of manufactured cigarettes has decreased, the consumption of roll-your-own cigarettes increased enormously.

The tobacco growers have been largely inarticulate. Now a bill representing their desire, their just demand is before Congress favorably reported by the Ways and Means Committee. There is assurance given by such distinguished and influential Senators as Senator Barkley of Kentucky, Senator Byrd of Virginia, Senator Bailey of North Carolina, Senator Byrnes of South Carolina, Senator Goldsboro of Maryland, and others equally interested in the welfare of the tobacco growers that the bill providing for the 40 per cent. horizontal reduction can pass the Senate and that a bill providing for the so-called graduated tax has no chance to pass either house of Congress.

If we can make our voice audible, can make our conviction as to the injustice of the present tax heard, can make our demand for the repeal of the tax denominated in the sub-committee report as "unconscionable" heeded by those in high position this reduction can and will be made at this session of Congress, so that the next crop will be sold to meet the increased demand. Each of us can do something. It needs a thorough co-operation of all to do what is needed.

*The foregoing is the text of an address on "The Tobacco Tax," delivered at the Thursday, June 10th, luncheon meeting of the Lexington, Ky., Rotary Club by Col. Desha Breckinridge, editor of the Lexington Herald.*

# Growers Must Divide with Share-Tenants

GROWERS of flue-cured tobacco who have signed adjustment contracts on which price-equalizing payments on the 1933 crop are being made, are instructed to divide these payments with share-tenants or share-croppers, under the terms of the contract regardless of debts or obligations due producers by tenants, according to a decision of the tobacco section announced today by the Agricultural Adjustment Administration.

To date over $3,051,957 in such payments have been disbursed to growers by the Administration. Contracting growers who marketed all or a part of their 1933 production before the marked increases in price for this type of tobacco were eligible to apply for price-equalizing payments.

In a letter to all county agents in the flue-cured tobacco counties, J. B. Hutson, chief of the tobacco section, has called attention to the fact that under the terms of the contract, price-equalizing payments are to be divided among producers, share-tenants, and share-croppers, in the same proportion as the 1933 crop, or the proceeds of the crop were divided, and that such payments are not affected by the existence of any lien, mortgage or debt arising out of the production of the 1933 crop, or otherwise. Such payments, the instructions stated, cannot be assigned, but must be placed in the actual possession of the tenant.

"We also desire to advise landowners and producers signing all kinds of tobacco contracts before tenants incur obligations, that the adjustment payments to contracting producers, which will be made after the 1934 crop is sold, must be divided as the proceeds of that crop are divided, in the same manner as are the price-equalizing payments," stated Mr. Hutson.

"These instructions are issued because some landlords who have been designated as trustees to receive and distribute payments apparently have gained the impression that they may retain the tenants' share of payments for application on debts owing to them by tenants. We want to correct that impression, as any such action on their part would violate the terms of the contract and the conditions of the trust. The failure of a landlord acting as trustee to disburse to any tenant his respective share of payments, constitutes grounds for recision of the contract, in which case the producer would be required to return to the Secretary of Agriculture any payments made to him, as well as paying the costs incident to the collection thereof."

# Status of Tax Reduction Bill

The Vinson Subcommittee Report—recommending a 40 per cent. horizontal reduction in Internal Revenue tax rates on *all* tobacco products, including cigars—having been approved by the House Ways and Means Committee, the committee has now formally submitted its report to the House, recommending the passage of the Vinson Bill (H. R. 9441) providing for the 40 per cent. horizontal reduction.

No definite time has as yet been set for the consideration of this measure by the House, but steps to move this bill may be taken at any time.



## News from Congress

(*Continued from Page 15*)

Enactment of the legislation followed by the announcement by Jesse H. Jones, chairman of the R. F. C., that the President approved the plan and was particularly desirous that "these smaller and medium sized industries be given a full chance to survive on equal terms with the larger industries."

"There is undoubtedly a need of credit for small and medium sized industries," Chairman Jones pointed out, "and while some of the loans will carry more than the usual credit risk, unless the demand is met our relief problems will continue to multiply. A dollar loaned is certainly better than one given in relief, and such loans can be made with little ultimate loss."

### CIGARETTES COOL FINGER-TIPS

SMOKING one cigarette will cool the temperature of the skin on your finger-tips by ten to twelve degrees. This and other similar coolings, due to smoking, are explained in one of the scientific exhibits set up for the eighty-fifth annual meeting of the American Medical Association for five days, beginning June 11th.

The cigarette exhibit shows the effects of tobacco smoking on the outer layers of the blood circulation, particularly those lying close to the skin. The tests were made by Irving S. Wright, A. Wilbur Duree, Joseph Kovacs, Dean Moffat and Joseph Wiener, of the New York Post-Graduate Medical School and hospital of the Columbia University.

It made no difference whether the cigarettes contained denicotinized tobacco. The effect was the same. But fake cigarettes made of ground filter paper failed to produce the cooling.

A young man smoking a "standard brand" cigarette started with a finger-tip temperature of 92. This temperature dropped ten degrees in fifteen minutes while he was smoking one cigarette. After he stopped, the skin dropped a further two degrees in three minutes. Seven minutes later it was again at 92.

A denicotinized cigarette produced a similar drop and rise, although slightly slower. A mentholated cigarette caused a slower fall in finger-tip temperature, but the cooling effect was still strong, at 80 degrees, for a full hour and forty minutes.

Physicians stated that during smoking the flow of blood in the capillaries is frequently slowed down, or even stopped. This accounts for the skin cooling.

### GROWERS' AGREEMENT APPROVED

GROWERS of cigar-leaf tobacco of the stemming grades are assured of prices approximately 100 per cent. higher than prevailed last season for 18,500,000 pounds of their holdings of tobacco by a marketing agreement which has been signed by Acting Secretary of Agriculture R. G. Tugwell. Bloch Brothers Tobacco Company, Liggett & Myers Tobacco Company, P. Lorillard Company, and Scotten-Dillon Company are signatory to the agreement, which becomes effective as of December 1, 1933. These companies manufacture 85 to 90 per cent. of the scrap chewing tobacco, for which the stemming grades of tobacco covered by the agreement are utilized. The

(*Continued on Next Page*)

### TOBACCO TRADE ORGANIZATIONS

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**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### NEW REGISTRATIONS

3 BAGGER:—46,334. For all tobacco products. Harvey's, Syracuse, N. Y., May 28, 1934.

THINETTE:—46,338. For cigarettes. Humath Co., Inc., New York, N. Y., June 7, 1934.

### RENEWAL REGISTRATION

GOLD COAST:—46,337. For cigars. Registered May 31, 1934, by Consolidated Litho. Corp., Brooklyn, N. Y. (Originally registered on August 9, 1902, by Schmidt & Co., New York, N. Y., predecessors to Consolidated Litho. Corp.)

### TRANSFERRED REGISTRATIONS

JUDGE GEORGE H. DURAND:—25,787 (Tobacco Leaf). For cigars, cheroots and cigarettes. Registered July 19, 1903, by Abe Davis, Flint, Mich., and renewed on May 25, 1925 (Tobacco Merchants' Association Certificate No. 44,241). Transferred to Havana-Detroit Cigar Mfg. Co., Detroit, Mich., June 8, 1934.

CRESTWOOD:—28,147 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered March 17, 1903, by Heywood-Strasser Litho. Co., New York, N. Y. Transferred to Wm. R. Wollaston, Dayton, Ohio, and re-transferred to Consolidated Litho. Corp., Brooklyn, N. Y., May 28, 1934.

O'PAT:—26,669 (United States Tobacco Journal). For cigars, cheroots and cigarettes. Registered February 25, 1903, by Wm. Steiner Sons & Co., New York, N. Y. Through mesne transfers acquired by Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to the Brown Cigar Co., Quincy, Fla., May 29, 1934.

(*Continued From Preceding Page*)

agreement applies to tobacco produced in New York, Pennsylvania, Ohio, Indiana, Minnesota, Wisconsin, Connecticut, Massachusetts, New Hampshire and Vermont.

The differential of one-half cent per pound in the price of tobacco purchased from growers as compared with that purchased through cooperatives represents the saving to buyers in dealing with cooperatives. The differentials based on age and method of storage are to compensate for loss in weight through storage.

Under the agreement the contracting firms must purchase the following amounts before June 30: Bloch Brothers, three million pounds; Liggett & Myers, four million pounds; P. Lorillard Company, seven and a half million pounds; and Scotten-Dillon Company, four million pounds. According to Tobacco Section officials, the aggregate amount called for in the agreement is somewhat larger than the 1933 production of these grades, and should act to bring about a larger volume of purchases than would have been possible without the agreement.

Deficiency payments of two cents per pound in the case of purchases below the specified amount are called for under the agreement. Buyers must purchase in the usual manner, and refrain from disproportionate buyings of the highest grades.

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JULY 1, 1934

VOLUME 54 — No. 13

# THE TOBACCO WORLD

13

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

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WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

THE TOBACCO WORLD

Vol. 54 JULY 1, 1934 No. 13

# Provisions of Wholesale Code

## Not Contained in Manufacturers' Code

BEING, in the main, identical in phraseology with the Code of the Cigar Manufacturing Industry, as printed in full in the May 1st issue of THE TOBACCO WORLD, the Wholesale Code is not reprinted at this time. The following paragraphs, however, are reproduced from the Wholesale Code because they do not appear in the Manufacturers' Code:

### Article II—Definitions

SECTION 4. The term "tobacco products" includes, without limitation, all cigars, stogies, cheroots, little cigars, cigarettes, smoking tobacco, chewing tobacco and snuff.

SECTION 5. The term "wholesale tobacco trade" means and includes all selling and distributing of tobacco products at wholesale.

SECTION 6. The terms "wholesale tobacco distributor," "wholesale distributor" and "member of the trade" mean any person engaged wholly or partially either as an employer or for his own account, in the wholesale tobacco trade.

SECTION 7. The term "wholesale tobacco establishment" or "establishment" means any place of wholesale business at which more than one-half the dollar volume of the sales made consists of tobacco products, or at which the principal line of business is the sale of tobacco products.

SECTION 8. The terms "tobacco retailer" and "retailer" mean any person engaged wholly or partially for his own account, in the selling of tobacco products directly to the consumer and not for purposes of resale in any form.

SECTION 10. The term "tobacco manufacturer" means and includes any person engaged in the manufacture of cigarettes, smoking tobacco, snuff or tobacco products other than cigars, and the distribution thereof, exclusive, however, of distribution by wholesale distributors or retailers.

### Article VI—Prices

"As to cigars, with respect to which the provisions of Part I or Schedule I shall not at the time be operative or shall be stayed, and as to cigarettes, smoking tobacco, chewing tobacco and snuff, the standards of fair competition for the trade with reference to pricing practices are declared to be as follows:

"SECTION 1 (*a*): Wilfully destructive price cutting is an unfair method of competition and is forbidden. Any member of the trade or of any other trade or industry or the customers of either may, at any time, complain to the Code Authority that any actual price constitutes unfair competition as destructive price cutting, imperilling small enterprises or tending toward monopoly or the impairment of code wages or working conditions. The Code Authority shall, within five days, afford an opportunity to the member making such price to answer such complaint and shall, within fourteen days, make a ruling or adjustment thereon. If such ruling is not concurred in by either party to the complaint, all papers shall be referred to the Research and Planning Division of NRA which shall render a report and recommendation thereon to the Administrator.

"(*b*): When no declared emergency exists as to such products or any specified part thereof, there is to be no fixed minimum basis for prices.

"It is intended that sound cost estimating methods should be used and that consideration should be given to costs (including costs of wholesale distribution) in the determination of pricing policies.

"(*c*): When an emergency, by reason of unfair competitive practices or other conditions, exists in the trade as to such products or any specified part thereof, sale below the stated minimum price of such products or such specified part thereof, in violation of Section 2 hereof, is forbidden.

"SECTION 2. *Emergency Provisions.*—(*a*): If the Administrator, after investigation, shall at any time find both (1) that an emergency has arisen within the trade, adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act: (2) that the finding of a basis for determining minimum prices for such products or any specified part thereof is necessary for a limited period, to correct the conditions constituting such emergency and to effectuate the purposes of the Act, the Code Authority may cause an impartial agency to investigate costs (including the costs of wholesale distribution) and to recommend to the Administrator a basis for determining minimum prices of the said products or the said specified part thereof affected by the emergency, and thereupon the Administrator may proceed to fix a basis for determining such minimum prices.

"(*b*): When the Administrator shall have fixed a basis for determining minimum prices for the said products or said specified part thereof for a stated period, which prices shall be reasonably calculated to correct the conditions of such emergency and to effectuate the purposes of the Act, he shall publish the said basis. Thereafter, during such stated period, no member of the trade shall sell such products at a

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The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Goin' Places and Seein' Things

## When You've Watched Them Make This Cigar, You've Been Somewhere and Seen Something

By JOHN CLEARY

YOU tell them you want to see how good cigars are made—and they take you to the boiler-room in the sub-basement! It's one of those torrid days in June, and as you mop your forehead, you say to yourself: Well, I guess I've let myself in for one of those "complete" tours of inspection. They're going to show me everything in the building, whether it has anything directly to do with cigar-making or not. And, priding yourself on being something of a philosopher, you shrug your shoulders, and think: I can't say I didn't ask for it. Let them shoot the works!

Your guide, who is no salesman but knows his cigars (as well as his tobacco and his building) and is some shakes as a psychologist himself, has read your unuttered thoughts, and you realize how close you came to revealing your own sappiness when he says:

"We didn't bring you here first just to show you these three huge oil-burning units, although we are proud of them. Nor because it is convenient to start from the bottom and work up. Not at all. If you want to know *all* about the making of good cigars, you must learn at the very beginning that, given good ripe tobacco and masterly skill in blending it, the most important single factor in cigar manufacture is the constant, unvarying maintenance of the scientifically correct temperature and humidity in all stages of the process of preparing the tobacco for the smoker."

Paradoxically enough, you hadn't expected to hear anything about the smoker at all on this trip through a cigar factory. Here you are, hearing about him, down in the bowels of the earth. And you keep hearing about the ultimate smoker all along the line, until you finish the tour on the roof, yes, literally on the roof, where . . . but don't let's get ahead of ourselves. We're still two floors below the street level.

### Manufacturing the Weather

This temperature and humidity idea intrigues you. You'll have more regard for your cigar now, you think, since you realize that to manufacture it, the proper weather had to be manufactured. The entire building is insulated with a two-inch-thick cork lining. You'd break your arm trying to open a window—every window in the building is stationary and double-sashed. The purpose of all this is to maintain in every step of the process through which the tobacco passes, the proper atmosphere for that particular step, regardless of the state of the weather outside, and regardless of the atmosphere required for other steps in the process.

You notice that on this second official day of summer only one of the three oil burners is working, and your guide explains that is just enough to keep the sweatrooms at the right heat, but, as the fellow says, we'll come to them later. And how!

Up a flight of stone steps you come to the basement, where is located the miraculous weather-making machinery and equipment for the lower half of the building. The entire unit is duplicated on the ninth floor to take care of the upper half of the building.

You see what looks to your lay mind like an orderly array of dynamos and registers and gauges and gadgets, and you marvel how they can bring in the air from the outside through ducts, wash it (in water, too—none of your complexion creams for this air-washing process) and then distribute it to the various parts of the building at exactly the proper temperature and with precisely the correct amount of humidity for each spot. A gauge set at the unit provides for the building generally, while others must be set at individual spots for individual weather needs. For summer, naturally, the apparatus was set largely for cooling and dehumidifying, fulfilling the function of a refrigeration machine. It would have a capacity of 100 tons of ice daily, if used for that purpose. No wonder you think it's miraculous.

You enter the first floor from the enclosed truck loading and unloading platform, just below the freight train platform, which is on the second floor level, being a spur of the elevated Reading Railway tracks.

### Conditioning the Ripe Tobacco

If you're lucky, you'll see the cases of tobacco sliding down the chute to the scales on the first floor, where they are weighed and placed three and four high on the floor by one of the two shifts at work in this busy plant.

How this particular shipment of tobacco got here is a story in itself. It is sufficient now to know that the management didn't simply send out wires here, there and everywhere, regardless, saying, "Ship us so many pounds of tobacco at once." No, these people knew this tobacco from its seedlet days. They select much of the leaf personally, and always only those leaves which grew on the middle of the plant, not the underripe, bitter, youngest leaves from the top, nor the overripe oldest "sand" leaves nearest the ground—only the ripe leaves from the middle of the plant.

So this tobacco as it comes off the cars—the Sumatra wrapper after a voyage from Amsterdam, the Havana leaf from Cuba and the domestic from Connecticut and Pennsylvania—is not an unknown quantity. They know it, and they know, too, that it is in the proper condition to go through their processes of manufacture. You wonder, therefore, at the meticulous care used in these processes, but your wonder ceases when you learn how delicate a growth the tobacco leaf is. The prepared leaves, themselves, are exceedingly hygroscopic, which is a high-hat way of saying that they readily absorb and retain moisture, that they are highly sensitive to the minutest variation in the moisture content of the surrounding air. (Now you begin to get the importance of this "manufactured weather" business). Moisture affects the leaves both physically and chemically. Leaves that are too dry, or brittle, break and fly away as dust. Limp and weak leaves—the too-moist ones—tear and stretch. When they are too dry or too moist, they undergo detrimental chemical changes also. They lose flavor, aroma and smoking quality (here's Old Man Smoker himself entering the picture again). It is too-dry or the too-moist leaf which molds and decomposes. But you'll be wanting to get back to that case of ripe tobacco which just came down the chute and off the scales—350 pounds it was.

These hands of tobacco (and a "hand," if you must have every term defined, is a bundle of twenty-five to forty leaves tied together at one end) are dipped in water and allowed to stand on a board for a sufficient length of time to become pliable before going back into their original case for curing in the sweatroom. This preliminary, or conditioning, operation is called "casing."

### "It's Not the Heat; It's the ——"

There are five double-decked sweatrooms. Each has a capacity of 120 cases. And each of them is filled the afternoon you are there. The temperature is rather pleasant on this floor, so, expecting some rise in temperature in a place called a sweatroom, and preparing yourself for it, you follow your guide as he nonchalantly strolls into one of the five. Whew! It's hot as the hinges of the bad place, and you're glad you let the door ajar, as you duck out, anything but nonchalantly. Right here, you think, is where they originated that wisecrack: "It's not the heat; it's the humidity." The leaves are left in the sweatrooms the proper length of time to ferment, a period which varies according to the nature of the leaf and the type of tobacco. The cases are inspected daily. You leave that floor with the thought that, while in social intercourse, "sweat" may be an inelegant word, the guy who christened those rooms certainly knew his Anglo-Saxon.

What a contrast when you enter the first room on the floor above, where the wrapper leaves are conditioned by the company's own patented humidifying device. They are put in dry and come out pliable, retaining their original color after their air bath in that pleasant, breezy room.

### A Colorful, Busy Scene

It is a busy colorful scene that greets your eyes in the stripping room, which occupies all of this commodious second floor, with the exception of the space devoted to the wrapper-conditioning room and the storage room for stripped wrappers. Four hundred young women, each attired in a blue smock with white collar and cuffs, a blue cap trimmed with white, and a blue apron, also with white trim, are engaged, each at her own machine, in removing the heavy stem from the center of each leaf. (Your guide tells you the girls' neat uniforms are of Indian Head material, and, being no expert in dress fabrics, you take his word for that, considering it an act of graciousness that the manufacturer should pay this honor to the vanished race of cigar store Indians.)

As the machine clips the center stem from each leaf, each half-leaf is allowed to revolve on a roller until a sufficient number have been stripped, when the operator removes them, and books them into pads, always making separate piles of the right and left halves. Incidentally, the leaves have been inspected before being turned over to the operator for stripping, and they are inspected after stripping. You notice this check and double-check system throughout the plant. On some operations there is a triple check. Another thing you notice here and everywhere else throughout the building is the absence of noise or, in fact, any audible evidence of the big production being turned out. Your guide never has to shout to be heard over the din of machinery or chatter. You carry on your conversations in an ordinary tone of voice.

Wrappers are stripped at one end of the floor, binders in the center and filler tobacco at the other end. Beside the center section there is a storage room for the binder leaves, equipped with special humidifying apparatus and appealing to you as a perfect place to spend a hot afternoon. You notice that there is no noisy trucking or back-tracking. The progressive conveyor system is used throughout, the receptacles going out full and coming back empty, with automatic precision.

On the way up to the third floor, you pass, on a mezzanine, the locker rooms and cafeteria for the second-floor workers. To the highly important function of drying the filler leaves, or rather half-leaves, is devoted practically the entire third floor. And it's here you get one of the biggest surprises of the trip.

### Heaven to Hades in 100 Yds.

The tobacco, hung on racks, enters one end of the drying room, where it is exceptionally hot, and then travels, by gradual stages, through gradually lessening temperatures, to the other end, where it is pleasantly cool. Your guide has explained this to you before you enter from the cool end, and although there are no partitions in the room, you feel, with every few feet you walk, a perceptible rise in the temperature, until it gets so damned hot that you run the last several feet to the heavy exit door, where you fumble with the knob when your guide calmly completes his walk and quietly opens the door for you. You have walked from heaven to hell in less than a hundred yards, but somehow or other, you feel better than when you entered the room. You are about to say something about this feeling, when your guide, again sensing your thought, remarks: "That sure does clear your head, doesn't it?" That was it. Your head felt clearer than it had at any time since you were a boy. The excess moisture extracted from the tobacco by this drying process seems to be just the thing to make your head clear as a bell.

A locker room for the girls working on the fifth and sixth floors and the main dining room, with a kitchen equipped to feed an army, complete the layout of the third floor.

The fourth floor is given over entirely to the storage of tobacco in open bins, completing the process which puts it into the proper condition for being fabricated into the complete cigar for the smoker. You see the Havana leaf, which comes in bales instead of cases, at one end the binder and filler occupying the remainder of the huge bins on the floor. Your guide estimated there were about fifty carloads of tobacco in the storage bins when you passed through.

And now, on the two floors above, you come to what you thought they were going to show you first, the

tobacco being made into cigars. Your eye is first caught by the army of uniformed girls as you step off the elevator at the fifth floor. The color scheme here is gray and white, for the smocks, caps and aprons of the operators, and you assume that, with equal appropriateness, their material is also Indian Head. There are four girls in attendance on each machine. And what machines!

They don't call them human machines. They call them superhuman machines. And when you see them operate, you think that descriptive title is no exaggeration.

The first girl feeds an amount of filler into a tray. A part of the machine reaches out and takes exactly enough of it to make one cigar, cuts off both ends to make it the proper length, shapes it and slides it under a sort of rubber apron. In the meantime, the second girl has spread out a single binder half-leaf on a perforated aluminum dingus, which by some sort of suction hocus-pocus, is transferred to that same apron just in time to meet the rolled filler as it arrives there. The machine wraps the filler securely in the binder leaf, and then transports the now nearly completed cigar to be enveloped in the wrapper, which has been spread over another perforated aluminum dingus by the third girl, and carried thence by another presto-changeo suction operation. The final touches, rounding the ends and so on, are performed by the fourth girl, who receives each cigar from the machine and inspects it before she places it on the pile, to be conveyed to the packing room, which, you think, is on the floor above, since all the progress has been upward, from one floor to another. Well, you're wrong again.

### The Right and Left of It

But before you learn how and why you're wrong, you pay a visit to the antiseptically clean and well-appointed dispensary, with its private sleeping chambers for the sick or injured and everything else required for the emergency ward of a hospital. Doctor and nurses are always in attendance. Applicants for employment must pass a physical examination before they are accepted, and they undergo periodic examinations thereafter.

And now, on that vast expanse of sixth floor, where you expected to see the packing department, you gaze instead upon a replica of the fifth floor, another army of gray-clad operators manning cigarmaking machines, with conveyors feeding tobacco at one end and other conveyors carrying away finished cigars at the other end. It is not an exact replica, however. Here the machines are precisely the reverse of those on the floor below. The answer is that the fifth floor makes "right" cigars and the sixth floor makes "left" cigars. You remember, then, how the strippers kept the two halves of the leaves separated when booking them into pads, the right halves in one pile, the left halves in another. If you gave the matter any thought at all, you probably imagined in your ignorance that, in making the cigars the right half of the leaf was fed into the machine one side up, and the left half of the leaf the other side up. On a little reflection, you would have realized that only the smooth, unveined top side of the leaf is used for the outside of the wrapper, and you feel ashamed of yourself for not having adverted to that. (You don't feel so peeved at yourself, however, when you discover that there's many a man engaged in selling cigars for years who is also unaware of this fundamental fact of cigarmaking.)

Anyway, that's why there are right and left cigarmaking machines, and why there are right and left cigars, and why there are two conveyors, one from the fifth floor and one from the sixth, leading to the packing department on the eighth floor.

Before making your way there you note the men's locker room above the dispensary, and you make a tour of the seventh floor. In the front is the attractive big reception foyer, flanked by the private and general offices of the company. In the rear is the machine shop for the maintenance of the building's machinery and equipment. And in the center of this floor, you get ahead of the progressive movement through the plant for the first and only time. Here all box goods, packed on the floor above, are stamped, packed into cartons, and the cartons metal-stitched and chuted below to the train platform for shipment or to the truck platform for haulage.

### Inspect! Inspect!! Inspect!!!

Following the loose cigars on the conveyors to the eighth floor, you see them delivered to the keen-eyed young women who sort them according to shading and color under special lights that never vary, and press them in "shells." Each of the cigars in each shell then goes through the hands of an inspector, who replaces them and puts them on the conveyor, to be borne to the machines for cellophaning and banding. One machine performs both of these operations, and the girl attending it packs the cigars in a box, drives a nail in the lid and puts it on the conveyor to journey to the final inspector, who pulls the nail out of the lid and gives the package the ultimate O. K. for shade, color and so on. The box then travels down the chute to start the last stage of its trip towards Old Man (or Young Man) Smoker himself, whose spirit seems to have hovered over every step in the process of its manufacture.

But your trip is not entirely ended yet. This is the topmost main floor of the building, yet there is a two-story structure above it. On the first of these floors—the ninth, if you please—is a battery of paste-mixing machines to serve the packing department mostly, and, as you learned in the beginning, a duplicate of the weather-manufacturing machinery in the basement. There is also the machinery and equipment for the suction system which performs those hocus-pocus, presto-changeo tricks on the individual cigarmaking machines on the fifth and sixth floors.

And on the tenth floor of this superstructure—literally above the roof—there are the huge tanks for the building's water supply and a "spray pool" which is used for the cooling of the condenser water used in the building's refrigerating equipment.

### Boy, You've Seen Something!

A dramatic ending ten stories above the ground of a packed-with-drama tour which had its beginning two stories below the ground!

And when you shake hands and thank your guide, you know you've gone places and seen things; you know you've been somewhere and seen something.

You've been through the largest cigar factory in the world, and you've watched them making the largest-selling cigar in the world.

You've been through one of the plants of Bayuk Cigars, Inc.—the one at Ninth and Columbia Avenue, in Philadelphia—and you've seen them making Bayuk Phillies.



# President and Johnson Approve Codes

PRESIDENT ROOSEVELT approved the codes for the cigar manufacturing industry and the retail tobacco trade on June 19th, and National Recovery Administrator Johnson approved the code for the wholesale tobacco trade on June 9th. All three codes contain a "cigar merchandising plan" whereby the manufacturer establishes the retail price of his product and which regulates the trade discounts which may be allowed at different stages of cigar distribution.

At the request of the trades, the order approving the wholesale and retail tobacco codes substitutes the Administration's recently announced price maintenance policy for the codes' proposals. The proponents were entirely willing to accept the new policy, and asked that the change be made in the order of approval rather than delay the code by the mechanical work involved in retyping.

Acting promptly under the terms of the order, the code authority has already petitioner the Administration to declare an emergency condition and to establish minimum prices. The request for remedial action is now being studied and will be submitted for a decision by the Administrator.

The waiting period in the open price provision is stayed in all three codes by the order approving them. The cigar merchandising plan's provisions for filing prices and discounts are stayed until "satisfactory arrangements . . . are made for confidential treatment and for simultaneous distribution . . . ."

The cigar manufacturing industry code establishes a basic maximum work-week of forty hours, at minimum wages ranging from 25 cents to 34 cents an hour. It is provided that the labor provisions will be reviewed within nine months.

There are about 50,000 workers in the industry, of which over 75 per cent. are women. Total payrolls are nearly $35,000,000.

The code authority is to consist of thirteen members. Three representatives of machine cigar manufacturers and three of hand cigar manufacturers are to be selected by the Associated Cigar Manufacturers and Leaf Tobacco Dealers; one by the labor advisory board and one by the consumers advisory board, N. R. A.; non-members of the proponent association will appoint one representative of each branch of the industry; and within fifteen days after the effective date those members shall devise a plan for selection of the others.

The code for the retail tobacco trade establishes a sliding scale of maximum hours permitted employees, depending on the number of hours of store operations. This parallels the code for the retail trade and the retail drug trade.

Minimum wages range from $10 a week to $17.50, depending on the population of the city and the number of hours worked. The minimum rates are about 15 per cent. higher than the rates now prevailing in other retail codes.

The minimum wage rates established are expected to result in an increase of 10 per cent. in the total payrolls of the trade.

Administration is entrusted to a code authority of ten members. Two of them are to represent the retail grocery trade and the retail drug trade, designated by the code authorities for those trades. One is to be appointed by the N. R. A. consumers advisory board. Six members are to be chosen by the Retail Tobacco Dealers of America, Inc. (of whom one is to represent a national chain); the other member is to be chosen by non-members of the proponent organization.

The code for the wholesale tobacco trade, approved Saturday, June 9, by General Johnson and effective immediately on approval, establishes a maximum forty-hour work week with permission to work up to forty-eight hours during two weeks of the year, and minimum wages of $14 to $16 a week, depending on the population of the city, with a $1 differential in the South.

There are about 2000 wholesale tobacco establishments in the country, employing 16,000 people. The average capital investment is $100,000 to $200,000 per establishment, and total business amounts to over a billion dollars a year. In 1929 census figures a net profit of 1.4 per cent. is shown, declining to 0.3 per cent. in 1932; however, the trade reports that practically all wholesale tobacconists have suffered losses each year since 1929.

The code is expected to result in wage increases of about 10 per cent., and an increase of about the same percentage in the number employed.

In approving the code General Johnson stayed the provisions of the cigar merchandising plan, incorporated in this code, until the two presidential codes become effective. He also stayed, until further order, the waiting period of the open price association.

Labor provisions of the wholesale tobacco code became effective June 25th.

In his letter to the President announcing approval of the code Administrator Johnson said that since the hearing N. R. A. representatives "have made certain revisions in the code, as is customary after public hearing. These changes are not in conflict with the testimony in the record of the public hearing and have been assented to by the industry."

A code authority of ten persons will administer the wholesale tobacco trade code. Eight of them are to be designated by the National Association of Tobacco Distributors, Inc., one by the Consumers Advisory Board, N. R. A., and one by members of the trade who are not members of the proponent association. In addition, the Administrator may name as many of three others to represent him.

The cigar merchandising plan, carried identically in all three codes, regulates sales of cigars through all stages from manufacture to retail sale.

The first section deals with sales by cigar manufacturers. Such manufacturers are required to file with the Council the minimum sales price at which such cigar is intended to be sold at retail. That price is to be used in computing discounts. Each container must bear the retail price prominently marked.

Sales to retailers other than chain stores or drop shipments are to be at a discount not over 28 per cent. Accredited jobbers get an additional discount of not more than 14 per cent., service jobbers get not more than two-thirds as much extra discount if there is an accedited jobber in the territory, otherwise not more than 10 per cent. Drop shipments to retailers are permitted, with the permission of the accredited jobber, if any, in quantities of not less than 2000 Class A or B cigars or 1000 other classes, at an additional discount of 5 per cent. Chain stores may receive the same

discounts as accredited jobbers. A cash discount of 2 per cent. is permitted in addition to the other discounts.

These discounts do not apply to manufacturers selling exclusively to the consumer, but other manufacturers are bound by the terms of the plan affecting retailers when they sell to the consumer at retail. "Free deals" by manufacturers are prohibited.

Sales by jobbers and subjobbers are similarly regulated. They, too, must record their terms and discounts with the Council. Those discounts must not amount to more than the merchant receives on the goods. Jobbers and subjobbers are bound by retail terms when selling to the consumer.

Retailers must sell cigars at not less than the manufacturer's indicated price. Sales in lots of not less than ten (if the cigar sells for more than 5 cents) may be allowed 5 per cent. discount; boxes of twenty-five or more may be sold at 8 per cent. off unless the manufacturer has set a box price. The retailer may not give more than one pad of matches per unit sold, not over five pads per box of twenty-five, nor over ten pads per box of fifty.

State taxes levied on tobacco products must be added to the minimum price. Legitimate clearances of distress or damaged merchandise may be made at prices below the established minimum under certain conditions.

All discounts under the plan are to be computed separately and consecutively.

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## EXECUTIVE ORDER
## CODE OF FAIR COMPETITION
### for the
## CIGAR MANUFACTURING INDUSTRY

An application having been duly made, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Cigar Manufacturing Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said Code of Fair Competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said Code of Fair Competition complies in all respects with the pertinent provisions of Title I of said Act and that the requirements of clauses (1) and (2) of subsection (a) of Section 3 of the said Act have been met:

Now, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise do adopt and approve the report, recommendations, and findings of the Administrator and do order that the said Code of Fair Competition be and it is hereby approved, and shall become effective on the date of this Order; subject, however, to the following conditions:

1. That the provisions of Article VI and of Schedule I—the Cigar Merchandising Plan—be stayed and shall not become effective until Monday, June 25, 1934.
2. That the waiting periods of five and three days contained in Article VI, Section I, and Schedule I, Part A, Section 1, and in Schedule I, Part B, Sections 1 and 2, respectively, be stayed and shall not become effective, notwithstanding said cigar merchandising plan becoming effective, until the further order of the Administrator.
3. That all provisions for the filing of prices and discounts in said cigar merchandising plan be stayed until arrangements satisfactory to the Administrator, are made for confidential treatment and for simultaneous distribution thereof to all members of the industry and customers willing to pay the cost thereof.
4. That the provisions of Articles III and IV shall be and the same hereby are stayed until, and shall become effective on, Monday, June 25, 1934.

(Signed) FRANKLIN D. ROOSEVELT.

Approval Recommended:
HUGH S. JOHNSON,
Administrator,
The White House,
June 19, 1934.

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## TRADE LEADERS ELATED

Elation over the final approval of the Codes was expressed by representatives of the manufacturers, the wholesalers and the retailers, as follows:

Harvey L. Hirst, for the Manufacturers: With the signing of the Cigar Manufacturers Code, a weapon is entrusted to us with which can be corrected many existing evils in the industry.

If we use this weapon courageously, unselfishly and efficiently, the cigar manufacturing industry will be materially benefited and in a large measure compensated for obligations assumed in hours and wages.

By every rule of common sense cigar manufacturers should lend 100 per cent. support to this Code. Aside from the benefits to his industry, his own selfish interests demand just this.

Joseph Kolodny, for the Wholesalers: As I have repeatedly stated, the Code will cure perhaps 7 per cent. of our troubles, leaving 93 per cent. to be cured by our individual actions. It will depend upon us whether it is successful or not.

I again urge our members and the trade in general not to look to the Code to do it all. The Code, of itself, is just a written document. True, it outlines a highly ethical method of doing business, but it must be put into effect. It must be administered by human hands and human minds. They will require our absolute loyalty and co-operation if they are to succeed.

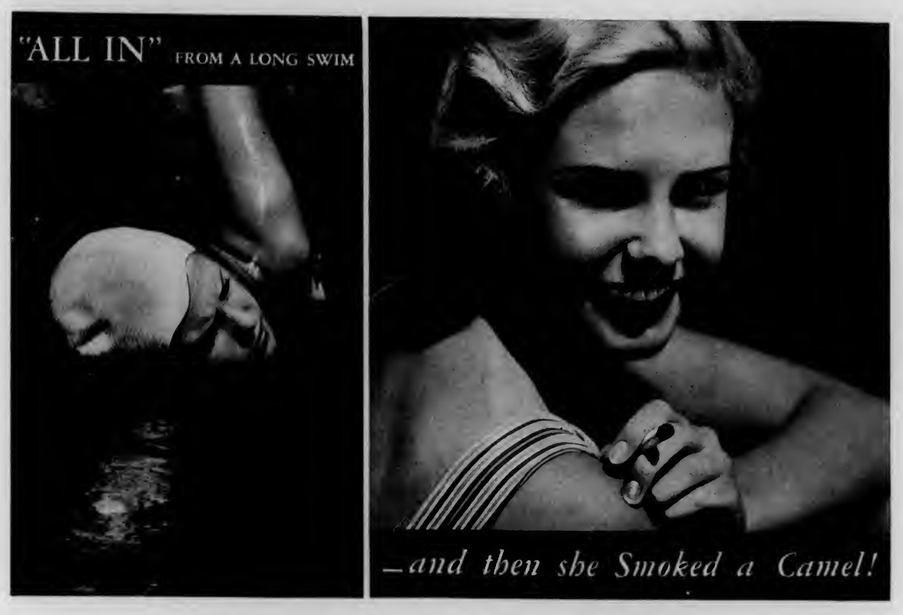
The best thing about the Code is that it presupposes co-operation among three branches that hitherto have been, if not inimical, at least inharmonious.

William A. Hollingsworth, for the Retailers: I am naturally very happy that the Code has been signed. It will, I am sure, prove of enormous benefit to not only the retail cigar dealers but to the manufacturers and jobbers as well.

From my observation, drawn from many years' experience in the business and from close association during the past year with many of the leading members of the retail cigar industry, I am sure that our trade will play the game in a fair and square manner.

To those members of the industry who have fought shoulder to shoulder with us during the past thirteen months I extend congratulations and the thanks of the retail cigar dealers of the country. It has been a hard fight but it will be worth it.




ENJOY THIS WAY
OF INCREASING YOUR ENERGY

Smoke a Camel—and notice its "energizing effect"

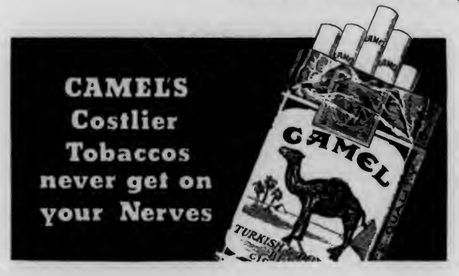
With the pleasure of Camel's distinctive flavor comes an added benefit—an actual increase in your flow of natural energy. That exhausted, "dragged-out" feeling slips away...your "pep" comes flooding back.

This discovery, confirmed by a famous New York research laboratory, means that by smoking Camels it is possible to restore the flow of your natural energy—quickly—delightfully—and without jangling your nerves.

For no matter how often you choose to "get a lift with a Camel," Camel's *finer, MORE EXPENSIVE TOBACCOS never get on your nerves!*

"Camels give me a refreshing 'lift' in energy when I feel tired out. And they don't interfere with my nerves."

HELENE MADISON
Olympic and World's Champion Swimmer




Camels are made from finer, MORE EXPENSIVE TOBACCOS—Turkish and Domestic—than any other popular brand.

"Get a LIFT with a Camel!"

Copyright, 1934, R. J. Reynolds Tobacco Company

# Letter of Code Approval

## Sent to The President by General Johnson

A PUBLIC Hearing on the Code of Fair Competition for the Wholesale and Retail Tobacco Distributing Industry, submitted by the National Association of Tobacco Distributors, Inc., and the Retail Tobacco Dealers of America, Inc., was held in Washington, D. C., on December 15 and 16, 1933, in accordance with the provisions of the National Industrial Recovery Act, pursuant to Notice of Hearing signed by the Secretary of Agriculture by virtue of Executive Order of June 26, 1933. Under Executive Order of January 8, 1934, jurisdiction over this Code was transferred to the Administrator for Industrial Recovery, whose representatives have made certain revisions in the Code, as is customary after Public Hearing. These changes are not in conflict with the testimony in the record of the Public Hearing and have been assented to by the Industry.

The most important change was the division of the Code into two codes, namely, this Code and the Code of Fair Competition for the Retail Tobacco Trade. This step was deemed advisable, inasmuch as the two trades each with its different problems, should be able to operate more satisfactorily under separate Codes and different Code Authorities.

### ECONOMIC EFFECTS OF THE CODE

The Wholesale Tobacco Trade covers the wholesale distribution of cigars, cigarettes, smoking tobacco, chewing tobacco, snuff, and other tobacco products.

According to the 1929 Census of Distribution there were approximately 2000 establishments in the United States engaged in the distribution of tobacco products. There were about 20,000 employees, approximately eighty-four per cent. (84%) being men. In 1933 employment had declined about twenty per cent. (20%), the employees numbering around 16,000.

It is estimated that the increase in employment resulting from the operation of the Code will be about ten per cent. (10%).

The foregoing Census shows that the annual gross volume of business had reached the high total of $1,691,000,000. In 1932, due to the general economic conditions, the estimated volume had shrunk thirty per cent. (30%), or to $1,084,000,000, and the net profit margin had been reduced from one and four-tenths per cent. (1.4%) to three-tenths per cent. (0.3%), since expenses could not be reduced in proportion to sales volume. It is thought that the figures for 1933 will show still greater decline.

The Industry claims that the average capital investment of each establishment is between $100,000 and $200,000, and that, with rare exceptions, all tobacco wholesalers have been losing money for the past four years.

The salary and wage bill of the Industry bulks quite large in proportion to total expenses but shows a relatively low percentage to net sales. It is difficult to approximate the increase in payrolls directly attributable to the Code, inasmuch as outside factors enter into such a calculation. However, a cross section of available data indicates an increase of ten per cent. (10%).

The outstanding feature of the fair trade practice provisions is the cigar merchandising plan, which is also to be found in the Cigar Manufacturing, and Retail Tobacco Codes. It provides for the retail sale of cigars at prices not less than those declared by the manufacturer for each of his products, and further prescribes maximum discounts allowable by manufacturers or wholesalers from those prices.

This plan was originated by the retail dealers, and was proposed by them to the wholesalers and cigar manufacturers. At the Public Hearing on this Code it was supported by these three groups as well as by representatives of tobacco growers. It now has the approval of the Consumers Advisory Board, Industrial Advisory Board, Labor Advisory Board, and Legal Division.

It has long been a recognized custom of the industry for manufacturers to declare intended retail prices, and internal revenue taxes on cigars are computed on such a basis. The plan is based on this custom, but free competition between manufacturers, as well as industry's recognition of the imperative need for the retention of the five-cent cigar, should serve to prevent increase in prices.

The sale of "long shot" cigars, induced by excessive discounts to distributors has been an abuse of consumers which will be remedied by the provisions limiting the amount of such discounts. This plan will permit each manufacturer to make the best possible cigar in each price class.

The use of cigars as "loss leaders" by unrelated buisness has been a severe handicap to those persons whose major line of business is in tobacco and tobacco products. The placing of the retail price on the container of cigars should prevent passing down to the wholesaler the burden caused by such practices, and thus protect those who are dependent for their livelihood on this trade.

Part II of Article VI of the Code provides for the sale of tobacco products other than cigars carried by the merchandising plan in Part I. The most important feature of this Part II is the prohibition of sales below the lowest reasonable cost to the wholesaler. The Administrator may, in order to temporarily restrict destructive price cutting, fix a basis for the minimum wholesale price of tobacco products which will be binding on all wholesale distributors. It will be an unfair trade practice for any wholesaler to sell or offer for sale any tobacco products below this minimum price.

### HOURS AND WAGES

This Code provides a maximum work week of forty (40) hours, with a limitation of eight (8) hours in any twenty-four (24) hour period and six (6) days in any seven (7) day period, except that one one (1) day in each seven (7) day period employees may be permitted to work not in excess of ten (10) hours, provided however, that for a period not to exceed two (2) weeks in the calendar year employees may be permitted to work in excess of the maximum hours provided herein but not in excess of forty-eight (48) hours per week or nine (9) hours per day. All such extra hours shall be compensated for at the rate of time and one-third.

LUCKIES ARE ALL-WAYS KIND TO YOUR THROAT
"it's toasted"
Only the Center Leaves—these are the Mildest Leaves They Taste Better
Copyright, 1934, The American Tobacco Company

In the event that the basic work week under the Code for the Wholesale Food and Grocery Trade is reduced to a maximum of less than forty (40) hours but not less than thirty-six (36) hours per week, the above provisions will be automatically amended so as to substitute in the place of "forty (40) hours" such shorter number of hours as shall be prescribed in such Code for the Wholesale Food and Grocery Trade; and thereafter any changes either by way of reduction (but in no event to less than thirty-six (36) hours) or increase in such maximum hours in said Food Code shall result in a like increase or reduction of the said number of hours so substituted as aforesaid.

It is provided that no wholesale tobacco establishment shall perform any sales or service operations on Sunday.

Exemptions are made for executives, provided they receive regularly not less than thirty-five dollars ($35.00) per week; and outside salesmen.

Outside delivery employees and billing and shipping clerks and cashiers, working in conjunction with the outside delivery employees in work of such nature that any inequality of hours would interrupt the routine of the outside delivery department, may be permitted to work not in excess of forty-eight (48) hours per week.

Watchmen may be permitted to work not in excess of fifty-six (56) hours per week.

Employees are under a minimum by population for a forty (40) hour week, starting at sixteen dollars ($16.00) in cities of 500,000 population or over and graded to fourteen dollars ($14.00) per week in towns and cities up to 100,000 population, with the provision that in the south employees may be paid one dollar ($1.00) less than the minimum rate provided above, excepting that:

(a) No office employee shall be paid less than at the rate of sixteen dollars ($16.00) per week, other than office boys and messengers where a differential of two dollars ($2.00) per week is permitted.

(b) Delivery helpers, not to exceed one for each delivery vehicle used by the member, may be paid at the rate of eighty per cent. (80%) of the minimum wage provided herein.

(c) Apprentice employees may be paid at the rate of one dollar ($1.00) less than the minimum wage.

(d) No outside salesman, whether on a commission basis or otherwise, shall be paid less than at the rate of twenty-five dollars ($25.00) per week of six (6) consecutive days.

The weekly wages of all employees receiving more than the minimum wages specified in this Article shall not be reduced below the rates existing on June 1, 1933, notwithstanding any reduction in the number of working hours of such employees.

### FINDINGS

The Division Administrator in his final report to me on said Code having found as herein set forth and on the basis of all the proceedings in this matter:

"I find that:

"(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

"(b) Said industry normally employs not more than 50,000 employees; and it is not classified by me as a major industry.

"(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant association is an industrial association truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

"(d) The Code is not designed to and will not permit monopolies or monopolistic practices.

"(e) The Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

"(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to the approval of the Code."

For the above reasons this Code has been approved.

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### STATUS OF TOBACCO BILLS

THE Kerr Tobacco Control Bill has been passed in the Senate with some amendments which have been accepted by the House. Although copies of the amended Bill as finally passed are not yet available, according to our information, the material amendments may be stated as follows: As regards crops subsequent to the year 1934-35, the measure has been amended so that whenever the Secretary determines that the persons who own, rent, share, etc., *three-fourths* (instead of two-thirds) of the land customarily engaged in the production of any particular type of tobacco favor the levy of the tax thereon, he shall proclaim such determination and the tax shall thereafter apply to tobacco of such type harvested during the crop year next following. In this connection, it is to be noted that the measure contains a specific provision that the tax "shall not apply to any tobacco harvested after April 30, 1936."

The specific exemption from tax "upon tobacco grown by growers who produce less than 2000 pounds of tobacco per crop year" has been entirely eliminated.

The additional crop warrants which the Secretary may issue in any county to persons "engaged in the production of tobacco of such type in such county as to whom the Secretary determines that no equitable allotment of tobacco acreage or production is possible under tobacco-reduction contracts" has been increased from 5 per cent. to *6 per cent.* of the total warrants issued to contracting producers in such county and a proviso added that "warrants covering two-thirds of the amount of tobacco allotted under this subsection in any county shall be issued to growers whose allotments are 1500 pounds or less." The former provision in this

*(Continued on Page 14)*



*Cigars are the most pleasurable and economical form of smoking.*

# BAYUK BULLETIN

NRA MEMBER U.S. WE DO OUR PART

VOLUME II. JULY 1, 1934 NUMBER 10

## PHULOFAX
*(The Retailer's Friend)*
## SAYS

Within five squares of each other are two cigar dealers. Let's call one Smith, the other, Brown.

"How did you make out on Father's Day?" Smith was asked. Smith said, "Oh, that's the bunk . . . folks don't buy cigars for Father's Day."

The same question was asked Brown and Brown said, "I think I did fairly well . . . I sold 12 boxes of 5c cigars and 4 boxes of 10c cigars . . . maybe that's not so very good but a great deal better than none at all . . . I believe if more dealers pulled together on Father's Day, a lot of cigars could be sold . . . at any rate, I'm going after Father's Day business harder than ever next year. Many of my customers go away over the 4th of July . . . I'll not lose all their business during their absence, 'cause already I've sold 9 of them cigars for over the 4th." Incidentally, Brown says that his cigar business is very good.

—o—

R. C. L., a dealer, writes in, "I belong to the C. B. A. and want to boost cigars. I have a customer who smokes a pipe but, at times, he tells me he has a hankering for a cigar but doesn't smoke so many, as he unconsciously *chews* his cigars, which he dislikes to do. Now, here is the point. I sold him a cigar holder . . . I tell you cigar sales can be boosted." Righto, are, Brother C. B. A.

—o—

Listen, ALL you folks in the cigar industry . . . this column belongs to you and to me and it can't be censored. Send in your pet peeve or your best boost!

—o—

Vacation days are here,
Full of fun and cheer,
For a little while no work to fear;
Let's go and get a box of—cigars.

Contributed by E. C. MacAllister . . . rotten poetry but good sense, says we.

—o—

Mr. Wm. D., of Bayonne, N. J., says he is a "newcomer in the cigar business" and sends in to a certain cigar manufacturer two suggestions on how to increase cigar consumption. Whether or not the expressed ideas are practical is beside the point . . . they do prove that he is THINKING on how to increase cigar sales and I'll bet sooner or later he'll hit on some plan that is workable.

—o—

Now is the best time of the year for the sale of Five-Packs of cigars and (gosh, dare we remind all of us again) for the sale of cigars by the box.

—o—

The N. Tob. Co., Baltimore, Md., certainly had a dandy Father's Day window poster . . . nice work, E. F. R.

—o—

If you know the A. B. C., you should be a C. B. A.

Phil M. Phulofax* D. B. L.

*Associated with BAYUK CIGARS, INC., Philadelphia — Makers of fine cigars since 1897

## "NEVER LET 'EM SEE THE BOTTOM OF THE BOX"

### *Veteran Salesman Warns Retailers*

John T. Rynn, veteran salesman who now manages a factory branch for a well known cigar manufacturer, believes that it's bad luck for the customer to see the bottom of any cigar box that's displayed in or on the case.

"In spite of cellophane wrapping and everything else, the average cigar smoker still shies off from the last few cigars in the box," says Mr. Rynn. "The box may have been opened fresh that morning, but your customer will be firmly convinced that those last few survivors are hard and dry 'left-overs.' He may take a chance on buying one or two of them, but he'll hardly grab a fistful.

"On the other hand, a completely full box may raise a doubt in the customer's mind as to whether the cigars are as popular as they might be. At least nobody else seems to have bought from the box.

"So," advises Mr. Rynn, "keep all the boxes in your case just comfortably full. Take a box off display before it reaches the last row and remove a few cigars from the fresh box before displaying it."

The number of cigars in a box seems a trivial sort of thing to affect sales, but it's little differences like that which make the big difference between plain storekeeping and modern merchandising.

## NOTHING SUCCEEDS LIKE HORSE SENSE

Why will one dealer sell a hundred of your cigars while another dealer in the same neighborhood is selling twenty-five? A manufacturer who makes a certain cigar which, for the purpose of our story, we'll call Usmokem, determined to find out.

He picked a list of ten retailers who were—shall we say they were "just retailers"? He made out another list of ten who were known to be *progressive* dealers. Then he started an investigator out to call on these two lists.

The investigator carried no formidable questionnaire, but merely some shiny new twenty-five cent pieces. He entered each shop just as any ordinary customer would, planked down his quarter on the case and said: "Two Usmokems."

In each of the ten shops designated as "just retailers," he was handed his two Usmokems and fifteen cents in change. In eight out of the ten "progressive" stores, he was diplomatically solicited to buy a five-pack. These progressive dealers couldn't see any reason why they should let fifteen cents walk out of their stores to be spent in a competitor's shop later in the day. At the end of the day the investigator arrived at the conclusion that the successful dealer is the one who uses horse sense in selling.

Any salesman interested in promoting five-pack sales (and thereby boosting the volume on his brand) is perfectly welcome to tell this true story to his retail customers.

BAYUK BRANDS BUILD BUSINESS
**Bayuk Philadelphia Perfecto**
(BAYUK "PHILLIES")
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

## WHERE'S THE HARDEST PLACE TO GET A SMOKE?

This time, R. L. Tippin of New York carries away the Bulletin's five dollar award for cigar boosting ideas with the following letter which we think is a blinger.

"Dear Phil M. Phulofax:

"Mr. Dolan, in your last issue, alleges that a ball park is the hardest place to buy a cigar. I think I can go him one better. The most difficult place to find a cigar when you need one most, is a smoking car.

"Now, on those trains which do not carry newsbutchers (and there are lots of 'em) why don't they have a slot machine in the smoking car for the benefit of those suffering mortals who are caught between stations without a smoke?"

We'll bite. Why don't they? Is there an alert maker of vending machines, or a progressive jobber, or a wide-awake railroader in the audience, who'd like to pick up some large blocks of loose change? Well, Mr. Tippin has handed you the sort of idea that might be run up into a fortune.

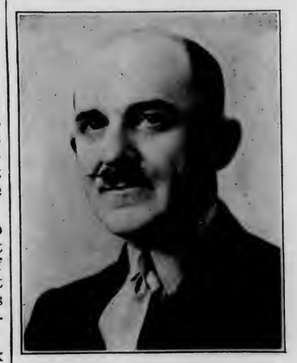
Have *you* a good hunch for increasing the sale of cigars? Send it to Phulofax, care of Bayuk Cigars, Inc., 9th Street and Columbia Avenue, Philadelphia. Five dollars will be paid for every idea printed.

## WHAT PRICE "EMPTIES"?

We know one dealer who never throws away his empty cigar boxes, but piles them up at the back of the store.

"It's an impressive way to display my popular brands," he explains, "and backs up my window and case displays. Besides there are a lot of garages in the neighborhood and the mechanics like cigar boxes to keep their tools in. I get a lot of trade from the fellows who come in for the empties."

*"Bring 'Em Back Alive" Boehler*



## A RECORD—WHAT?

Do you remember the good old days when orders grew on trees and all a salesman had to do was to give the tree a shake and hold a basket under it? Well, the good old days are back again—or something.

We think perhaps it's *something*—and something that Adolf Boehler, Philadelphia cigar salesman, has got. Not long ago this same Mr. Boehler went out and sold an order of cigars to *218 separate retail dealers in one week.*

Something like a record — what? But his lucky rabbit's foot must have been working overtime that week. Maybe—until you learn that the previous week he sold 163 orders, and 202 the week before that. In fact, since the first of the year Mr. Boehler has been selling an average of 26 orders a day, and he is servicing 547 active accounts every two weeks. We don't know whether Mr. Boehler rides a bicycle, but he certainly does get around a lot.

The Bulletin has plenty of space in its columns to give a big hand to any other salesman who can approach, tie or beat Adolf Boehler's record.

## IT CAN'T BE DONE

"It can't be done," said the wise boys just before Columbus stood the egg on end.

"It can't be done," said the know-it-alls. "Langley tried to make one of those danged airyplanes fly and it didn't go anywhere but *down.*" The words were hardly out of their mouths before the newspapers were carrying the story of the Wright Brothers' successful flight.

"Nobody can sell that bird. I know because I've tried it," says the salesman just before somebody else walks off with the order.

"You can't do anything to increase the sale of cigars," said the crepe hangers. And the next thing they knew the Cigar Boosters Association was organized and under way.

About the only thing that can't be done is to stop a well-organized group of aggressive, intelligent men from going where they're determined to go. But who wants to stop C. B. A. from going places? The idea is to join C. B. A. and go places with it.

# U. S. Cigars Up Nine Millions in May

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for May, 1934, are subject to revision until published in the annual report):

| *Products* | ——*May*—— *1934* | *1933* |
|---|---|---|
| Cigars (large)— | | |
| Class A .....No. | 322,307,280 | 317,009,680 |
| Class B .....No. | 4,884,187 | 2,428,077 |
| Class C .....No. | 49,163,302 | 48,236,746 |
| Class D .....No. | 3,859,552 | 3,459,775 |
| Class E .....No. | 235,616 | 238,703 |
| Total ..... | 380,449,937 | 371,372,981 |
| Cigars (small) .....No. | 22,774,000 | 23,477,413 |
| Cigarettes (large) ...No. | 4,275,617 | 216,833 |
| Cigarettes (small) ...No. | 11,174,076,147 | 12,822,972,513 |
| Snuff, mfd. .....Lbs. | 3,299,653 | 3,192,611 |
| Tobacco, mfd. .....Lbs. | 25,756,129 | 28,644,964 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | ——*May*—— *1934* | *1933* |
|---|---|---|
| Cigars (large)— | | |
| Class A .....No. | 3,977,050 | 4,236,260 |
| Class B .....No. | 112,500 | 110,500 |
| Class C .....No. | 66,000 | 44,500 |
| Total ..... | 4,155,550 | 4,391,260 |
| Cigars (small) .....No. | 100,000 | ..... |
| Cigarettes (large) ...No. | ..... | 30,000 |
| Cigarettes (small) ...No. | 200,000 | 60,800 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | ——*May*—— *1934* | *1933* |
|---|---|---|
| Cigars (large)— | | |
| Class A .....No. | 13,696,775 | 12,338,980 |
| Class B .....No. | 30,907 | 5,200 |
| Class C .....No. | 7,900 | 13,628 |
| Class E .....No. | ..... | 100 |
| Total ..... | 13,735,582 | 12,357,908 |
| Cigarettes (small) ...No. | 163,000 | 117,660 |
| Tobacco, mfd. .....Lbs. | 5 | 28 |

### Internal Revenue Collections for May

| *Sources of Revenue* | *1934* | *1933* |
|---|---|---|
| Cigars ..... | $993,999.49 | $940,087.19 |
| Cigarettes ..... | 33,553,593.08 | 38,470,693.88 |
| Snuff ..... | 593,937.52 | 574,669.94 |
| Tobacco, chewing and smoking ..... | 4,636,604.18 | 5,156,499.96 |
| Cigarette papers and tubes ..... | 87,537.13 | 68,307.18 |
| Miscellaneous, relating to tobacco ..... | 253.17 | 43.54 |

### May Cigar Withdrawals 1920 to 1932 Inclusive

| | | | |
|---|---|---|---|
| May, 1920.... | 676,227,828 | May, 1926.... | 507,253,431 |
| 1921.... | 555,497,120 | 1927.... | 540,873,508 |
| 1922.... | 569,208,725 | 1928.... | 541,500,682 |
| 1923.... | 575,915,851 | 1929.... | 572,412,549 |
| 1924.... | 553,319,526 | 1930.... | 523,775,163 |
| 1925.... | 514,509,040 | 1931.... | 467,299,661 |
| | | 1932.... | 368,553,366 |

### Processing Tax Returns

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public—No. 10—73d Congress), approved May 12, 1933.

| *Commodity* | *Month of May, 1934* | *Total from July 1, 1933 (Fiscal year 1934)* |
|---|---|---|
| Tobacco (tax effective October 1, 1933)— | | |
| Processing tax ..... | $2,015,608.95 | $13,866,096.52 |
| Import compensating taxes ..... | 13,345.49 | 144,909.73 |
| Floor tax, other than retail dealers ..... | 7,585.50 | 1,812,371.39 |
| Floor tax, retail dealers ..... | 1,591.64 | 243,229.25 |
| Total, tobacco... | $2,038,131.58 | $16,066,606.89 |

### STATUS OF TOBACCO BILLS

(*Continued From Page 12*)

subsection that "no such person shall be entitled to receive warrants unless he shall agree with the Secretary of Agriculture to co-operate in the reduction programs of the Agricultural Adjustment Administration in such manner as the Secretary shall prescribe" has been eliminated.

With respect to information returns, the alternate penalty for violation "or by imprisonment not exceeding one year, or both" has been eliminated.

As regards the authority granted the Secretary to establish cigar-leaf importation quotas "based on average quantities of such tobacco imported into continental United States during the crop years 1932-33 and 1933-34" a provision has been added "except that in the case of tobacco imported from the Republic of Cuba such quotas shall be based on average quantities of tobacco so imported during the crop years 1926-33."

The A. A. A. Amendatory Bill, the Byrnes Tobacco Grading Bill, the Flannagan Bill, as well as the Harrison Bill (permitting States to tax interstate commerce) remained unpassed. The Vinson Tobacco Tax Reduction Bill also remained unacted upon.

However, by an entirely separate amendment (S. 3185) to the Agricultural Adjustment Act, which has been passed by both Houses, it is provided that the fair exchange value of a commodity shall be the price therefor that will not only give the commodity the same purchasing power that it had in the base period but will also (NEW MATTER) "*reflect current farm labor costs, interest payments on farm indebtedness, and taxes on farm property, as contrasted with such costs, interest and taxes during the base period.*"



## News from Congress

FURTHER tax legislation will be sought by the administration at the next session of Congress. Studies of the revenue structure of the Federal and State governments are now being made with a view to modernizing the tax system and coordinating Federal and State activities. Announced determination to reopen the tax law early next session gives promise for the eventual success of the drive for lower tobacco taxes. Although the House Ways and Means Committee made a favorable report on legislation providing a 40 per cent. cut in these levies, the rush of the last days of Congress made it impossible to secure any action.

The major purposes of the proposed tax revision will be the elimination of the present inefficient overlapping of State and Federal revenue sources, as for example in the taxation of cigarettes; revenue increases without drastic modification of the present rate structure, and a strengthening of collection methods.

During the remainder of the year members of the House Ways and Means Committee will continue the investigations initiated in 1933, one of the results of which was the incorporation in the recently adopted Revenue Act of provisions expected to eliminate loopholes through which the Treasury was losing some $270,000,000 a year.

### GIVES RETAILERS CREDIT

In his letter of transmittal of the Retail Tobacco Code to the President, General Johnson wrote: "One of the outstanding features of the fair trade practice provisions is the cigar merchandising plan, which is also found in the Wholesale Tobacco Code and the Code for the Cigar Manufacturing Industry.

"The retail dealers originated this plan, and it was proposed by them to the wholesalers and cigar manufacturers. At the public hearing on this code it was supported by these three groups as well as by representatives of tobacco growers. It now has the approval of the Consumers Advisory Board, the Industrial Advisory Board, the Labor Advisory Board, and the Legal division.

"It has long been a recognized custom of the industry for manufacturers to declare intended retail prices, and the internal revenue taxes on cigars are computed on such a basis. The plan is based on this custom, but free competition between manufacturers, as well as the industry's recognition of the imperative need for retention of the five-cent cigar, should serve to prevent increase in prices."

### "COLD GRAY DAWN, MORNING AFTER"

The M. J. Dalton stand, at 617 Chestnut Street, is featuring a window display of Haddon Hall cigars this week in popular shapes and sizes, which is bringing the customers into the stand and making the old cash register ring merrily. John Flanigan, the manager of this popular stand, appeared at the stand on Wednesday morning with a downcast expression, and when asked the cause he explained that his brother, the only one, by the way, that had never been associated with the cigar industry, had entered the holy bonds of matrimony on the previous evening and John had helped celebrate the occasion appropriately. After this news had been disseminated, there were no more wisecracks.

Just Enough Menthol to Cool and Soothe Without Destroying The Natural Tobacco Flavor

### TOBACCO TRADE ORGANIZATIONS

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WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
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CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
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JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

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UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN ..... President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. ..... Secretary

### WILL HAPPY OVER CIGAR GAINS

FRANK P. WILL, executive vice-president of G. H. P., had spent only two days in his office in three weeks, having just returned from a trip to Chicago and Kansas City, where your reporter found him preparing to accompany a cigar manufacturers' code committee to Washington, to ask for a stay of the merchandising provisions of the Code until August 1st, when it is expected that organization of the official code body will be completed. He took occasion to pay a gracious tribute to Harvey L. Hirst, who, he said, "as head of the cigar manufacturers' special code committee, did what the industry generally thought was impossible, and held on like a bulldog until his job was done." He took time, too, to rejoice again over the continued increases in cigar withdrawals. "A gain of 301 million cigars in eleven months," he said, "should be enough to gladden the heart of everyone in the cigar business."

### BAYUK BACK FROM SUMATRA

SAM BAYUK is back at his desk after an absence of several weeks, during which he attended the Sumatra sales at Amsterdam, as has been his custom for many years . . . Allan C. Davis, of the Neudecker Tobacco Co., distributor in the Baltimore territory, was a recent visitor at the Ninth and Columbia Avenue headquarters . . . The House of Jacoby, Atlantic City distributor, has done a swell job in the world's playground, where Phillies and other Bayuk products are available everywhere, speaking volumes for the energy and aggressiveness of the H. of J. and its selling organization . . . Joseph Miller has been placing Phillies throughout his La Crosse, Wis., territory, where he recently had the assistance of W. H. Schulte, Bayuk factory man . . . The Barrow Penn Co., Roanoke, Va., is doing a good distributing job in their sector, being assisted recently in a promotional campaign by George Branzell, Bayuk territorial manager.

John Wagner & Sons, distributors, of Dock Street, report business continuing on the upward trend, with the higher grade cigars meeting with a good steady demand. Imported Havana cigars are also enjoying an increasing demand, but the renewal of labor and political troubles in Cuba recently is causing a serious shortage in the available supply.

## Trade Notes

The Royalist Factory, North Second Street, is humming merrily along in their new quarters and producing those good Royalist cigars in quantity to meet the ever-increasing demand.

G. W. Saunders, Cortez representative, was in town last week visiting the retailers and distributors, as was also Fred Davis, of Schwab, Davis y Ca. They report a good demand for their brands.

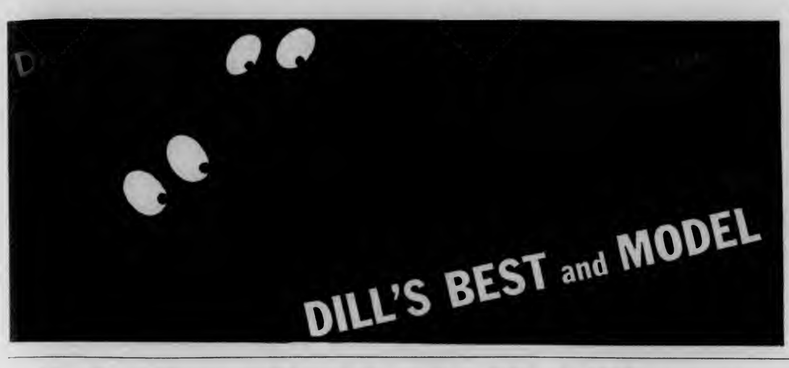
Recent visitors in town include Steve Hertz, sales manager for Haddon Hall cigars, and H. L. Bassett, factory representative for the same house. Haddon Hall is receiving its share of the increasing demand for high-grade cigars in this territory.

Harry A. Tint, who operates the stand at 1420 Chestnut Street and is a director of the Retail Tobacco Dealers of America, has returned from the Retailers' Convention, held in Chicago last week. Harry reports a very fine meeting, well attended, and some good work accomplished.

Yahn & McDonnell, distributors, 617 Chestnut Street, report business showing considerable activity and their distribution and sales of their brands are showing a nice increase. The Julep cigarettes, recently taken on by this well-known house for distribution, are meeting with a pleasing reception by the smokers here. This cigarette is mint cooled.

Frank Flanigan, sales representative for M. Marsh & Sons, Wheeling, W. Va., covering Pennsylvania, Delaware, Maryland and New York State, except the Metropolitan area, is sporting a new Plymouth auto with a great deal of pride. Frank thinks this is equivalent to a vote of confidence for him from his company, and why not? Marsh brands are heavily oversold in Frank's territory and he is justly proud of the job he is doing for his old-established house.






NBC
RED NETWORK
9:30-10 P. M., E. D. T.
New York . . . . . WEAF
Hartford . . . . . WTIC
Providence . . . . . WJAR
Worcester . . . . . WTAG
Portland . . . . . WCSH
Philadelphia . . . WFI-WLIT
Schenectady . . . . . WGY
Buffalo . . . . . WBEN
Pittsburgh . . . . . WCAE
8:30-9 P. M., E. S. T.
Baltimore . . . . . WFBR
Washington . . . . . WRC
Cleveland . . . . . WTAM
Detroit . . . . . WWJ
Cincinnati . . . . . WSAI
8:30-9 P. M., C. D. T.
Chicago . . . . . WMAQ
7:30-8 P. M., C. S. T.
St. Louis . . . . . KSD
Des Moines . . WOC-WHO
Omaha . . . . . WOW
Kansas City . . . . . WDAF

# U. S. Cigars Up Nearly 231 Millions in 10 Months

**ELEVEN MONTHS WITHDRAWALS FOR CONSUMPTION**

| | *First 11 Mos. Fiscal Year 1934* | *—Decrease +Increase Quantity* |
|---|---|---|
| Cigars: | | |
| Class A— | | |
| United States ... | 3,470,567,280 | + 308,443,215 |
| Puerto Rico .... | 53,647,330 | + 1,086,450 |
| Philippine Is.... | 215,624,665 | + 68,280,925 |
| Total ..... | 3,739,839,275 | + 377,810,590 |
| Class B— | | |
| United States ... | 34,550,372 | — 927,017 |
| Puerto Rico .... | 2,477,600 | + 1,700,050 |
| Philippine Is.... | 218,241 | — 316,375 |
| Total ..... | 37,246,213 | + 456,658 |
| Class C— | | |
| United States ... | 525,701,420 | — 71,022,454 |
| Puerto Rico .... | 890,180 | — 78,400 |
| Philippine Is.... | 227,918 | — 5,334 |
| Total ..... | 526,819,518 | — 71,106,188 |
| Class D— | | |
| United States ... | 40,151,889 | — 4,919,123 |
| Puerto Rico .... | 1,000 | — 500 |
| Philippine Is.... | 2,200 | + 124 |
| Total ..... | 40,155,089 | — 4,919,499 |
| Class E— | | |
| United States ... | 4,637,465 | — 671,215 |
| Puerto Rico .... | ..... | ..... |
| Philippine Is.... | 2,976 | — 23,947 |
| Total ..... | 4,640,441 | — 695,162 |
| Total All Classes: | | |
| United States ... | 4,075,608,426 | + 230,903,406 |
| Puerto Rico .... | 57,016,110 | + 2,707,600 |
| Philippine Is.... | 216,076,000 | + 67,935,393 |
| Grand Total .. | 4,348,700,536 | + 301,546,399 |
| Little Cigars: | | |
| United States ... | 211,269,987 | + 280,640 |
| Puerto Rico .... | 2,720,000 | — 1,384,000 |
| Philippine Is.... | ..... | ..... |
| Total ..... | 213,989,987 | — 1,103,360 |
| Cigarettes: | | |
| United States ... | 104,506,032,059 | + 7,571,433,000 |
| Puerto Rico .... | 4,149,800 | + 1,684,660 |
| Philippine Is.... | 1,683,850 | + 188,580 |
| Total ..... | 104,511,865,709 | + 7,573,306,240 |
| Large Cigarettes: | | |
| United States ... | 88,336,317 | + 85,695,889 |
| Puerto Rico .... | 855,000 | + 415,000 |
| Philippine Is.... | 6,400 | — 5,591 |
| Total ..... | 89,197,717 | + 86,105,298 |
| Snuff (lbs.): | | |
| All United States | 34,881,909 | + 2,772,129 |
| Tobacco, mfd. (lbs.): | | |
| United States ... | 280,606,012 | + 1,650,176 |
| Philippine Is.... | 86 | — 154 |
| Total ..... | 280,606,098 | + 1,650,022 |

**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

Name.....

Street No.....

P. O.....State.....

Established 1886

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

OUR HIGH-GRADE NON-EVAPORATING

CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

## Classified Column

**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

**POSITION WANTED**

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

Newspaper and magazine advertising executive, thoroughly experienced, formerly with local newspapers and agencies, and also advertising manager. Position with firm desiring an advertising man, salesman or assistant to manager. Knows marketing, merchandising and distribution. Salary not as important as opportunity to demonstrate actual worth and ability. References the highest. Address, F. H. Riordan, 5915 Webster Street, Philadelphia, Pa.

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

**FOR RENT**

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

**HAVANA CIGARS**

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave, NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

EYES TELL:—46,339. For all tobacco products. C. Doering & Son, Chicago, Ill., June 14, 1934.

HUMAN HEAD:—46,340. For all tobacco products. Charles Doering, Chicago, Ill., June 20, 1934.

COACH-AND-FOUR:—46,341. For all tobacco products. Crimson Coach, Inc., Toledo, Ohio, June 21, 1934.

### CORRECTED PUBLICATION

New Registration

EYES TELL:—46,342. For all tobacco products. Registered June 14, 1934, by Charles Doering, Chicago, Ill.

### WHOLESALE CODE

*(Continued from Page 3)*

net realized price below the minimum price determined upon the bases so fixed, and any such sale shall be deemed destructive price cutting. From time to time, the Code Authority may recommend review or reconsideration or the Administrator may cause any determination hereunder to be reviewed or reconsidered, and appropriate action taken."

SECTION 3. Notwithstanding the provisions of this Part II any wholesale distributor may sell any tobacco product as low as the price set by any competitor in his trade area on merchandise which is identical or essentially the same, if such competitor's price is set in conformity with the provisions of this Section, provided that such wholesale distributor shall immediately notify the Code Authority or its nearest local agency of such action and of all facts pertinent thereto.

SECTION 4. Notwithstanding any of the provisions of this Part II, any tobacco wholesaler may sell at less than the prices therein prescribed merchandise sold as bona fide clearance or bona fide discontinued lines of merchandise or imperfect or actually damaged merchandise or merchandise sold upon the complete final liquidation of any business or merchandise donated for charitable purposes or to unemployment relief agencies, provided that all such merchandise shall be advertised, marked and sold as such and that a strip label shall be placed across the inside lid label of box goods to be disposed of, stating the reason the said merchandise is being sold below the prescribed prices thereof and provided further that such merchandise shall be disposed of pursuant to any regulation as to the manner of such disposal which shall be issued by the Code Authority subject to the disapproval of the Administrator.

JULY 15, 1934

VOLUME 54

# THE TOBACCO WORLD

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## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
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**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
*Chicago, Ill.*
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*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 JULY 15, 1934 No. 14

PLEASE let us not misunderstand the purpose of a code of fair competition for an industry. It is not the purpose of a code of fair competition to guarantee profits to business men. It is the purpose of a code to establish satisfactory conditions for labor, shorter hours and increase wages. It is the purpose of a code of fair competition to establish fair trade practices—ethical methods of business conduct.

It is pathetic that so few business people realize that the establishment of ethical methods is just as conducive to the building of successful business as a guarantee of profit.

If your competitor cannot allow excessive discounts; if he is paying his labor decent salaries; if no one smuggles controlled brands; if everybody submits an itemized bill with each sale; if no one gives any rebates with sales—these are as important—as far-reaching—as a guarantee of a large mark-up.

These provisions are embodied in the code and are now law for the wholesale tobacco industry.

ANOTHER point which so many people seem to overlook: If your competitor is to pay his labor decent salaries; if he is to employ them on a basis of shorter hours; if he is to guarantee his salesmen a minimum salary; if he is to comply with all the requirements of safety and well-being—all these, immediately, eliminate the sales of goods below cost.

Furthermore, a code of fair competition enables, authorizes, and encourages members of an industry to unite for the purpose of further elevating the standards, and promoting the welfare of the industry.

You will be expected—under the code—to comply with the requirements of the National Code Authority. Among them are the following:

A—Monthly reports on the forms furnished by the Code Authority. These reports will make known the number of employees you have; the number of hours they work; salaries you pay; your volume of business; capital investment, accounts receivable, and a number of other pertinent factors of your business. All the information reaching the Code Authority is strictly confidential. It is Government property, and no one has access to it.

B—You will have to comply with many requests of your regional director. His job will be to co-ordinate, harmonize and strengthen the position of the wholesale distributors within the area under his jurisdiction. Please respond to his requests. He is not getting paid for this service. He merely co-operates with the industry to help straighten out conditions.

C—You will receive a number of requests from your local code authority. Of course, you know these people—you are intimate with them. They are your immediate competitors. Please forget they are your competitors. Meet with them and arrive—with their co-operation—at constructive methods for the correction of many destructive evils at present destroying the means of deriving a livelihood from your business and a *meager return* on your investment.

Our compliments to Joseph Kolodny for the foregoing editorial. He did not write it as an editorial but as a bulletin to the members of the National Association of Tobacco Distributors, immediately upon the approval of the wholesale code. As everyone in the industry knows, Mr. Kolodny is the energetic secretary of the Wholesalers' Association and chairman of its Code Committee.

WE went to a meeting of cigar retailers the other night. If it is pathetic, as Mr. Kolodny says, that so many wholesalers do not realize the benefits which will accrue from the maintenance of fair practices, then it is positively pitiful that so many retailers refuse to turn a finger to help themselves. They complain and mutter to themselves about how their business has been shot to hell by the price-cutting of chain stores and other evils, yet when they are asked to dob up a few measly dollars as a small share of the cost of an association which will help to protect them from such chiseling and unfair practices, they refuse. They seem to think that the Code, unlike the Lord, will help those who do not help themselves. Their motto is "Let George Do It."

ONE of these days, the cigar retailers may wake up to a realization of the benefits that come to every single individual in an industry when all the individuals in that industry are united in a common purpose. In the meantime, they should give thanks that there were at Washington working hard for them during the last year men like Hollingsworth, who directly represented them; Kolodny, who assisted greatly in furthering the interests of the entire merchandising division, wholesale and retail; and Hirst, to whose indefatigable and intelligently directed efforts men like Frank Will gives the lion's share of the credit for the final formulation and approval of the Code. It is no secret that the retailers got their code through with no expense to them worth talking about, the costs being largely borne by the wholesalers and the manufacturers.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Amendment to Processing Tax

FOLLOWING the public hearing held on May 24th last, the Secretary of Agriculture has issued an amendment to the processing tax regulations reducing the basic rate on flue-cured tobacco used in the manufacture of plug chewing tobacco and twist by .9¢ per pound, effective August 1, 1934. As a result, the rates on such tobacco when used for the purposes indicated will be as follows, on and after August 1st:

| | *Old Rate* | *New Rate* |
|---|---|---|
| Farm Sales Weight.... | 4.2¢ per lb. | 3.3¢ per lb. |
| In Processing Order: | | |
| Stem not removed..... | 4.7¢ " " | 3.7¢ " " |
| Stem removed ..... | 6.1¢ " " | 4.8¢ " " |

It will be recalled that a similar reduction was announced by the Secretary of Agriculture some time ago, but was never put into effect by the Treasury Department due to some legal objections. However, the Agricultural Adjustment Act has subsequently been amended with a view to overcoming these objections, and it is to be assumed that adequate instructions will now be issued by the Treasury Department in time to be in the hands of the various revenue collectors before the effective date of the reduction.

The full text of the amendatory regulations is quoted below. Although officially approved as of June 30th, printed copies are not yet available and it was not until July 9th that the Tobacco Merchants Association of the United States succeeded in obtaining a typewritten copy.

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

(Tobacco Regulations, Series 2, Revision 1)

(Rate of processing tax with respect to the processing of flue-cured tobacco used in the manufacture of plug chewing tobacco and twist, and definitions.)

REVISION OF TOBACCO REGULATIONS MADE BY THE SECRETARY OF AGRICULTURE WITH THE APPROVAL OF THE PRESIDENT UNDER THE AGRICULTURAL ADJUSTMENT ACT.

United States Department of Agriculture,
Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish and give public notice of these regulations (constituting a revision of Tobacco Regulations, Series 2, and to the extent of such revision, but not otherwise superseding such regulations) with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture, with the approval of the President, under said Act.

I do hereby find as of August 1, 1934, after investigation and due notice and opportunity for hearing to interested parties, and due consideration having been given to all of the facts, that in the first domestic processing of flue-cured tobacco the rate of processing tax, as determined by the Secretary of Agriculture, with the approval of the President, in Tobacco Regulations, Series 2, paragraph C, is causing and will cause such reduction in the quantity of flue-cured tobacco, manufactured into plug chewing tobacco and twist, domestically consumed, as to result in the accumulation of surplus stocks of flue-cured tobacco, or of plug chewing tobacco and twist produced therefrom, or in the depression of the farm price of flue-cured tobacco. I do hereby, accordingly, determine, as of August 1, 1934, that the processing tax on the first domestic processing of flue-cured tobacco used in the manufacture of plug chewing tobacco and twist, shall be at the rate of 3.3 cents per pound, farm sales weight, which rate, as of the effective date thereof, will prevent such accumulation of surplus stocks of flue-cured tobacco, plug chewing tobacco and twist produced therefrom, and the depression of the farm price of flue-cured tobacco; whenever flue-cured tobacco in processing order from which stem has not been removed, is processed in the manufacture of plug chewing tobacco or twist, the measure of tax shall be three and seven-tenths (3.7) cents per pound of such tobacco; whenever flue-cured tobacco in processing order from which stem has been removed, is processed in the manufacture of plug chewing tobacco or twist, the measure of tax shall be four and eight-tenths (4.8) cents per pound of such tobacco; these amounts being in accordance with the respective weight relationships determined to exist between flue-cured tobacco in such states and the farm sales weight of flue-cured tobacco.

I. DEFINITIONS

The following terms, as used in these regulations, shall have the meanings hereby assigned to them:

PLUG CHEWING TOBACCO—Plug chewing tobacco is chewing tobacco manufactured and pressed into flat cakes.

TWIST—Twist is the type of chewing tobacco manufactured in the form of a twist.

In witness whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington, this 30th day of June, 1934. (Signed) H. A. Wallace, Secretary of Agriculture.

Approved: (Signed) Franklin D. Roosevelt, The President of the United States, June 30, 1934.

## BAYUK WINS SWEEPING DECISION

The action filed in the Common Pleas Court of York County, Pennsylvania, by Bayuk Cigars, Inc., versus Moe Heller, defendant, has been decided by a decree in favor of Bayuk Cigars, Inc., and the cost of the suit charged against Moe Heller, defendant.

The action in this case was based on the claim of Bayuk Cigars, Inc., that Moe Heller was infringing upon the package, trade-mark and label of the Bayuk Philadelphia Cigar.

The findings of the court enjoined the defendant, Moe Heller, his agents and employees, from preparing, putting up, selling or offering for sale or distribution to the public cigars in packages bearing copies of labels using as a distinctive word thereon the word "Philadelphia," also from using bands resembling bands used by Bayuk Cigars. In addition, the decision enjoins Moe Heller from employing the word "Philadelphia" upon any label or cigar band in any other way or form in the sale of cigars other than Bayuk Philadelphia Cigars.



# Smoking Pipe Code Amendments

THE SMOKING PIPE manufacturing industry, through its Code authority, has submitted an application for modification of the Code of Fair Competition, and a public hearing was held in the Mayflower Hotel, Washington, on July 13th. Among the amendments submitted by the Code authority were several under the head of Article VII—Trade Practices, which are of interest to the tobacco trade generally, especially to those in the merchandising divisions.

It was proposed that Section I of this article be amended by adding the following:

A member of the industry may sell a product of the industry below cost in order to meet the competition of another member of the industry, provided that the article sold by the other member of the industry is of the same quality, quantity, design, material and is a comparable article, and provided further that no such sale shall be made without notice to the Code authority in which notice the member of the industry shall set forth the time and place of such sale, name of the customer, the quantity sold, the terms of sale, and the name of the competitor who sold the same or comparable article which caused the member of the industry to sell below cost.

Add to this Article Section 13 (a), as follows:

(a) In order to comply with Section 13, Article VII, every member of the industry must insert in every box or container holding a pipe or pipes, a card or notice which shall read as follows:

IMPORTANT NOTICE FROM THE CODE AUTHORITY UNDER THE CODE OF THE SMOKING PIPE MANUFACTURING INDUSTRY.

(Red) Mr. Consumer: Do not ask dealers to replace smoked pipes as the NRA Code for the Smoking Pipe Manufacturing Industry makes it illegal for him to do so.

Section 13, Article VII of the Code reads as follows:

"*Trade Guarantees*—Pipes priced for sale, at less than $1.00 shall not be sold upon a guarantee of replacement in the event that the same prove unsatisfactory; and no manufacturer shall accept a return of a used pipe or replace the same, except for defective manufacture, such adjustments to be made *only between the manufacturer and the ultimate consumer.*"

(Red) There is no Guarantee of any kind on mouthpieces: Manufacturers will replace only burned out bowls of pipes retailing for $1.00 or more, if returned within thirty days after the date of sale, and then only if bowls are given normal usage.

Replacements will be marked X and only one replacement will be made.

Dealer may perform the service of packing and mailing the burned out pipe to the manufacturer giving consumer's name and address, but he must not make any replacement from his stock as this is not permitted under the law. Such replacement if justified will be returned direct to the consumer.

Add to Article VII the following Sections:

15. All merchandise shall be sold on the basis of f. o. b. shipping point.

16. Piracy of trade names, styles and designs is prohibited. In order to enforce this provision all trade names, styles and designs shall be deposited with the Code authority in accordance with rules to be determined by the Code authority. Patented and copyrighted items are to be excepted.

# Plant Pest and Quarantine Work Merged

TWO major units of the United States Department of Agriculture, the Bureau of Entomology and the Bureau of Plant Quarantine, have been merged into one, to be known as the Bureau of Entomology and Plant Quarantine. The new organization takes over from the Bureau of Plant Industry the activities on the control and eradication of five important plant diseases.

This consolidation, which went into effect July 1st, Secretary Wallace points out, will permit greater economy of administration in the department's search for better methods of insect pest control and in the regulatory work necessary to prevent the spread of plant pests and diseases. It also ensures better coordination and more effective direction of the various parallel lines of research and control activities.

Lee A. Strong, chief of the Bureau of Plant Quarantine from December 1st, 1929, to October 1, 1933, and since then chief of the Bureau of Entomology, has been appointed chief of the new bureau. S. A. Rohwer, now assistant chief of the Bureau of Entomology, and Avery S. Hoyt, now assistant chief of the Bureau of Plant Quarantine, will be assistant chiefs of the new bureau. F. H. Spencer will be business manager.

Research in the Bureau of Entomology and Plant Quarantine will cover studies on the life history and habits of beneficial as well as injurious insects, with a view to developing practical methods for destroying injurious insects and promoting the increase and spread of those found beneficial.

The regulatory work, under the authority of the Federal Plant Quarantine Act, will include the enforcement of quarantines and restrictive measures to prevent the entry into, or the spread within, the United States of dangerous plant diseases and insect pests.

Under the new arrangement the different lines of work on related subjects, whether regulatory or research, are brought together in a single unit. The work of collection, introduction and clearing through quarantine of foreign parasites for the control of injurious insect pests established in the United States has been placed in a single division under the direction of C. P. Clausen. The fundamental investigations to develop control methods by the use of insecticides, attractants and repellants have been brought together in the Division of Control Investigations, under Dr. Lon A. Hawkins. The Division of Household and Stored Product Insects, in the Bureau of Entomology, as such, has been discontinued, and the work assigned to other divisions. Studies on insects attacking stored products have been transferred to the divisions concerned with the insects that infest the same crops in the field.

### BAYUK BUSINESS BITS

KIELSON CIGAR CO. is extending the sales of Bayuk Phillies in the Cincinnati territory, where the brand is rapidly gaining in popularity. The company recently had the assistance of F. J. Horning, Bayuk salesman, in a special campaign . . . Harry Catlin, of the sales department, stopped in at Bayuk headquarters last week prior to a Western trip . . . Oakland Tobacco, in the California city of that name, in order to meet the existing demand for Bayuk Phillies, wired the factory for rail shipments, owing to the tie-up of water shipments by the dock strike . . . A. C. Roy, New England territorial manager, recently paid a visit to the factory. He was all pepped up over the way Phillies are selling Way Down East and he anticipates an even greater distribution and sale of the brand.

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### NEWS FROM THIRD & BROWN

FRANK P. WILL, executive vice-president of G. H. P., is spending 90 per cent. of his time on Code Committee work and 10 per cent. on El Producto and La Azora. Much of his time in the current week is occupied with organization meetings in New York . . . D. A. Jenks, assistant sales manager, left for Boston last Monday night and planned to cover New York as well before his return to headquarters later in the week . . . Bill Cleary, whose intensive work on El Producto and La Azora is very helpful to the Loughran people in Baltimore and Washington, is spending his vacation in his home town, Kansas City, largely to allow his mother to become acquainted with her charming daughter-in-law. Bill, whose surname betokens a gentleman, a scholar and a good judge of cigars, is president of the Tobacco Salesmen's Association of Baltimore.

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We had the privilege this week of inspecting a shipment of Romeo y Julieta cigars which John Wagner & Sons had just received from Cuba, and were amazed at the splendid uniformity in color, shape and size which ran throughout the various sizes of this famous brand. Prices of the various sizes in the shipment ran from twenty cents each to $1 each, and upon seeing the splendid workmanship on these brands, one retail stand operator here immediately ordered 1000 of the top size.

## Trade Notes

The Habanello cigar is being well displayed by dealers in this territory and increased activity on this brand is being noted at factory headquarters.

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H. L. Bassett, factory representative for Haddon Hall cigars, was in town last week visiting their local distributor, Yahn & McDonnell Cigars.

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Garcia y Vega cigars are showing a splendid increase in demand since more than one hundred dealers here began displaying the new Garcia y Vega window card.

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Herman Abrams, factory representative for Medalist cigars, has just returned from a trip to Atlantic City and other South Jersey seashore points, in the interest of his brand, and reports a most successful trip.

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Plans for the successful administration of the Code of Fair Competition for the Wholesale Tobacco Industry are progressing favorably, and the headquarters of the Philadelphia committee will be at 37 North Second Street. The committee will consist of Nelson Eberbach, of A. B. Cunningham & Co.; George Frings, of Frings Bros. Co., and Phil Gordesky, of the Franklin Tobacco Co. A fourth member is contemplated, but announcement of his selection has not been made.

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Sam Adler, of Villazon & Co., Tampa, was in town last week visiting the distributor of his brand, John Wagner & Sons. Mr. Adler reported that business on his brand in this territory was showing an amazing increase in this territory as compared with the same period of last year, and, in fact, the same conditions prevailed in other sections of the country. Mr. Adler was enroute to Atlantic City, where he will make his headquarters for the balance of the summer.



# Developments in Growers' Program

**By J. B. HUTSON,**

**Chief of Tobacco Section, A. A. A.**

IT IS unnecessary for me to review the conditions that have prevailed during the past few years on most farms on which tobacco is grown. Your income was reduced to a bare existence level. You could not buy and you could not pay. It has been our task under the provisions of the Agricultural Adjustment Act to aid you in bringing about an improvement in this situation. It is our task to aid you in bringing about further improvement. You have shown a willingness to cooperate in a more determined and united way than any group before you since the commercial production of tobacco was first begun in Virginia Colony over 300 years ago. During the past year more than 90 per cent. of all tobacco growers have agreed to cooperate with their neighbors in a joint attack on the problem. What is more, you have indicated that you were willing to assume personal responsibility for the success of the joint undertaking.

Let us review briefly the developments of the past year: As the 1933 markets opened, prices were near the low levels that had prevailed during the two previous seasons. Tobacco farmers appealed to the Agricultural Adjustment Administration and pledged their full support behind a campaign to reduce the 1934 crop in return for reasonable prices for the 1933 crop. The story of the past history-making year, so familiar to all of us, is a marvelous tribute to the fighting spirit and cooperative effort of the tobacco growers of this country.

In an incredibly short time, more than 90 per cent. of all tobacco growers in the United States signed contracts to reduce the 1934 crop. They agreed to reduce the 1934 crop to around 1,000,000,000 pounds, a reduction of about 30 per cent. Such a crop would be as much below the level of consumption as the 1933 crop was above that level. Marketing agreements were entered into with domestic manufacturers in which the prospective reduction for 1934 was capitalized on in terms of increased prices for the crop then being sold.

It is estimated that the income for the 1933 crop from sales on the markets was approximately $50,000,000 larger than it would have been, chiefly because of the cooperation of tobacco growers in agreeing to reduce their next year's crop. Growers received $179,000,000 for the 1933 crop from sales on the markets. In addition, farmers are receiving during the current marketing year approximately $28,000,000 in rental and benefit payments, making a total of $207,000,000. This is close to the total income that tobacco farmers received for their 1930 crop and is only slightly below the average for the last ten years.

Flue-cured growers received an average of 9.5 cents a pound for the two crops grown in 1931 and 1932. In 1933, however, the Adjustment program helped boost this average to 15.3 cents a pound. Fire-cured growers, who received less than 5.5 cents a pound for the average of the 1931 and 1932 crops, secured an average of 8.1 cents a pound in 1933. Burley growers received an average of 10.3 cents a pound for the 1931 and 1932 crops. The 1933 crop was 40 per cent. above the level of consumption and the total supply 11 per cent. larger than in 1931 and 14 per cent. larger than in 1932. In spite of this burdensome surplus situation, the price was above the average of the two previous years. The average price for all types was 12.9 cents a pound in 1933, compared with less than 9 cents a pound for the two previous crops.

The increase in income to flue-cured tobacco farmers because of a "promise to reduce acreage" is amazing, almost unbelievable, but it actually happened as all of you know. It paid old debts, bought necessities and even luxuries, and brought new opportunities and new hope to farm people, who were pretty badly crushed and disheartened. Let's examine the record, comparing the income by States for flue-cured tobacco for the 1932 crop without a program, and for the 1933 crop with a program.

**Flue-Cured Tobacco**

**Market Receipts to Farmers**

| *State* | *1932 Crop* | *1933 Crop* |
|---|---|---|
| Virginia | $2,580,000 | $9,130,000 |
| North Carolina | 34,710,000 | 85,560,000 |
| South Carolina | 4,475,000 | 11,160,000 |
| Georgia | 1,255,000 | 6,540,000 |
| Florida | 140,000 | 450,000 |
| Total | $43,160,000 | $112,850,000 |

Flue-cured tobacco farmers also received benefit payments as follows:

**Estimated Flue-Cured Benefit Payments**

| | |
|---|---|
| Virginia | $470,000 |
| North Carolina | 5,380,000 |
| South Carolina | 1,715,000 |
| Georgia | 1,390,000 |
| Florida | 85,000 |
| Total | $9,040,000 |

Considerable portions of the payments to States other than Virginia are price-equalizing payments. It will be recalled that the 1933 crop in Virginia was sold after the price increase occurred, following the signing of the flue-cured marketing agreement. Prices in the Old Belt averaged 16.6 cents per pound compared with an average of 14.6 for the remainder of the flue-cured district. The price-equalizing payments were made to those growers who sold early, to equalize in so far as possible the advantages which were obtained from the adjustment program.

Certainly, flue-cured tobacco farmers of the Southeast are more cheerful. But what is the outlook for the 1934 marketing season?

With a 30 per cent. reduction and a 95 per cent. sign-up, the flue-cured tobacco planted under contract totals 672,000 acres. It is estimated that approximately 28,000 acres, not under contract, will be planted. This gives a total of 700,000 acres planted in 1934. Assum-

ing slightly above normal yields, the 1934 production can be predicted at around 525 million pounds. This is about 215,000,000 pounds less than last year's crop.

Stocks on hand July 1, 1934, appear to be about 800,000,000 pounds. Add to this the current 525,000,000 pounds crop and the total supply figures for flue-cured round out close to 1,325,000,000 pounds compared to 1,420,000,000 as the market opened last year. If there is anything in supply and demand relationships, prospects for flue-cured tobacco prices should be considerably brighter when the market opens this year, compared to a year ago.

Reasonable prices to growers in 1933, that normally might have been followed with about a 30 per cent. increase in acreage in 1934 and poverty prices, turned out just the opposite. By keeping their promise, and by maintaining control of their own production, tobacco farmers have removed the age-old objection of manufacturers to paying reasonable prices—that of raising a crop all out of reason, following good prices. Now that this objection has been overcome under the new order, manufacturers should keep faith with tobacco farmers and pay increased prices for a smaller crop. Farmers, in turn, should continue to control production, so as to secure the highest possible net profit from their tobacco crops. They have this in their power and they have the vision and intelligence to keep this control.

The second step in controlled tobacco production is the Kerr-Smith Tobacco Act passed on the final day of the Seventy-third Congress. This bill is the answer to the direct request of farmers, cooperating in adjustment programs, that they be protected from the non-cooperating minority. The overwhelming majority of cooperating tobacco farmers did not wish to see their efforts to reduce production in line with market needs offset to any appreciable extent by the non-cooperator, who increases his production, or the new grower who spreads the acreage and the territory. In addition, cooperating growers believed it was unfair for non-cooperators to "ride free" and enjoy benefits which were made possible by majority cooperation.

The main provision of this Act is the levying of a tax of from 25 to 33 1/3 per cent. of the sales value of the tobacco of non-contract signers, beginning with the 1934 crop. Maryland, Virginia Sun-Cured, and cigar-leaf tobacco are exempt from the Act of 1934. At the request of three-fourths of the growers, any type may be brought under the Act in 1935.

Tobacco growers emphasized that the effect of the new Act is to equalize conditions to all tobacco growers and not to compel or prohibit any farmer from growing tobacco. Neither is it intended to force any tobacco grower to sign a contract. Growers participating in the production adjustment programs agreed to reduce production approximately 30 per cent. This was followed by a 30 per cent. price rise for the 1933 crop. Growers planting their normal acreage or increasing it will receive just as much for their tobacco, after they have paid the tax, as they would without the tax, had no reduction program been offered.

Small growers and other growers, who through unfavorable situations of some kind, have been unable to establish satisfactory bases, and have not signed up, may be taken care of under this Act. The Secretary of Agriculture is authorized to allot tax-payment warrants to non-signers up to 6 per cent. of the tobacco in each county of the total allotment of contracting producers. Two-thirds of these warrants to non-signers must be to small growers whose allotments of warrants are for 1500 pounds or less. Included in the eligible group for tax-exempt warrants will also be farmers who lost their farms during the depression period and have recently reclaimed them; tenant farmers displaced on farms covered by tobacco contracts, who have been unable to obtain a place on farms covered by contracts; and those tobacco growers of long experience, who have recently acquired farms with no recent tobacco history. Every effort will be made to humanize the program and to give a fair chance to deserving individuals.

In each crop year in which the tax is levied, non-transferable tax-payment warrants will be issued to every tobacco grower co-operating in production adjustment programs. These warrants will cover the number of pounds of tobacco which each co-operating farmer is permitted to market under his reduction agreement. These warrants will be accepted as payment of the tax on the sale of his tobacco.

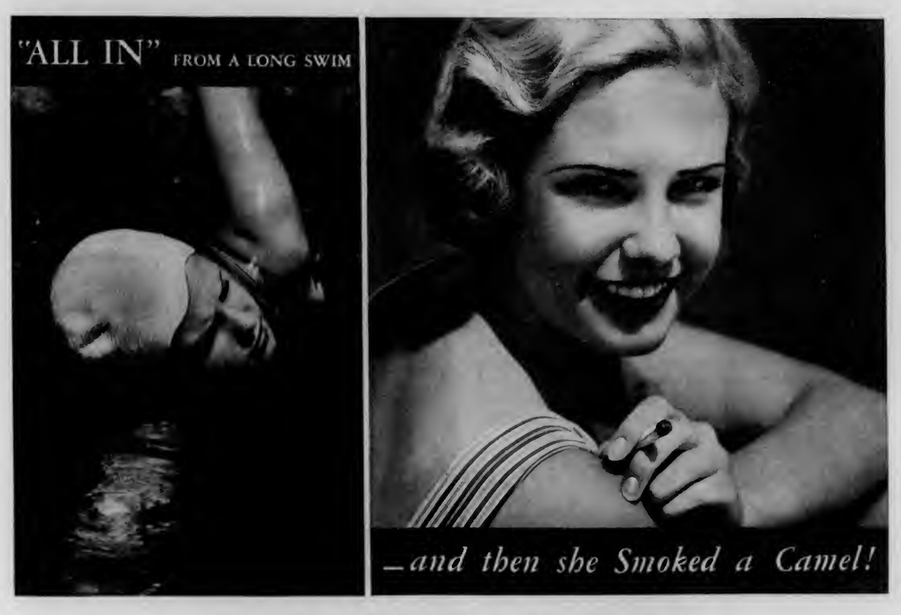
In fairness to all tobacco growers, the Act provides that a new opportunity be offered for signing contracts, to avoid payment of this tax. Adjustment contracts will be available for growers to sign through July 28th. During this same period, non-contracting growers will be given an opportunity to make applications for tax-payment warrants. It will not be necessary for producers under contracts to make application for these warrants. The warrants will be issued to these growers at the time they market their tobacco, up to the full amount which they are permitted to sell.

The Kerr-Smith Tobacco Act is a protective, not a prohibitory nor a compulsory measure. Its real purpose is to protect growers co-operating for the general good of the industry and to guarantee that the benefits of this co-operative undertaking shall go in the fullest measure to the co-operators.

Some who are inclined to be critical have said that the bringing about of improved prices to tobacco growers will cause a loss in consumption. All along we have tried to develop our programs in such a way and to make such adjustments in them as would prevent any results of this kind. Only a few weeks ago, when it appeared that the crop might be short in some parts of the flue-cured belt, we announced that growers might increase their plantings. They were allowed to plant 80 per cent. of their base acreage instead of the 70 per cent. originally allotted. In order to equalize the opportunities as between the different growers, provision was made for the reduction of the payments to those farmers who planted the larger acreage.

At the same time, the announcement was made that all growers would be given an opportunity to sell 80 per cent. of their base poundage instead of the 70 per cent. originally allotted. There are some growers in every community who will produce more than the poundage originally allotted. After carefully considering the question, it appeared advisable to permit such growers to increase their sales provided they are willing to accept smaller adjustment payments. In the end, this will mean that the grower who is favored by weather conditions will produce and sell a larger crop, for which he will receive more on the market than his neighbor who is less favorably situated. But if he sells more, he will receive smaller adjustment payments. The contract already provides that the growers who produce less than their allotment will receive deficiency payments. The net result of these two provisions is that the growers who plant or sell the larger quantity of tobacco will receive about enough for the




ENJOY THIS WAY
OF INCREASING YOUR ENERGY

**Smoke a Camel— and notice its "energizing effect"**

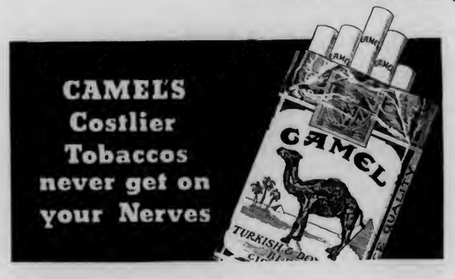
With the pleasure of Camel's distinctive flavor comes an added benefit—an actual increase in your flow of natural energy. That exhausted, "dragged-out" feeling slips away...your "pep" comes flooding back.

This discovery, confirmed by a famous New York research laboratory, means that by smoking Camels it is possible to restore the flow of your natural energy—quickly—delightfully—and without jangling your nerves.

For no matter how often you choose to "get a lift with a Camel," Camel's *finer, MORE EXPENSIVE TOBACCOS never get on your nerves!*

"Camels give me a refreshing 'lift' in energy when I feel tired out. And they don't interfere with my nerves."

HELENE MADISON
Olympic and World's Champion Swimmer




CAMELS Costlier Tobaccos never get on your Nerves

● Camels are made from finer, MORE EXPENSIVE TOBACCOS—Turkish and Domestic—than any other popular brand.

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added production to pay them at a reasonable rate for the extra work required.

The program is flexible enough so that adjustments such as those indicated above can be made and with these adjustments a marked increase in the income of tobacco growers can be brought about without any material loss in consumption.

In order to reduce surplus stocks the Agricultural Adjustment Administration found it necessary to ask growers to reduce production below the level of consumption. The enormous immediate task of doing this has overshadowed almost everything else during the past year. But, as a matter of fact, we are a great deal more interested in increasing consumption than in reducing production. Every opportunity has been seized to regain recently lost export trade. Some progress has been made in this field and now, with the approval of tariff legislation, vigorous efforts will be made for further gains.

An attempt was made during the recent session of Congress to obtain a reduction in tobacco taxes. We are greatly concerned that the rates of internal revenue taxes be such as to result in the largest possible domestic consumption and a healthy competitive situation in the industry. Our interest in tax rates is to be certain that the growers share in any reduction, and that any changes adopted will bring about a stable and permanent improvement in the growers' income.

Two proposals were widely discussed before the Congress. One would entail a 40 per cent. horizontal reduction in the tax rates on all tobacco products and the other would reduce the tax rates on 10-cent cigarettes on a percentage basis. The first would result in some further immediate increase in consumption and the second would improve the competitive situation in the industry, both of which are desirable.

Since no legislation was enacted at the past session of Congress, it is our hope that during the interim between now and the next session this matter of tax reduction will be widely discussed and thoroughly debated. It is to the interest of the tobacco growers that a tobacco tax system be worked out which will not permit manufacturers to absorb all the profits made in the industry. We hope that it will be possible to develop a plan upon which all can unite that will insure maximum benefit to tobacco growers and that will not reduce the competition within the industry.

*The foregoing is a transcript, in part of an address by J. B. Hutson, Chief of Tobacco Section, Agricultural Adjustment Administration, before Farmers Meeting at Chatham, Va., July 4, 1934.*

# Code for Warehousemen and Growers

## Effective July 9

TOBACCO sold by auction and loose-leaf warehouses is to be handled under a code of fair competition that is designed to enable the industry to eliminate many trade practices considered detrimental to the best interests of warehousemen and growers. The Code, signed June 30th by President Roosevelt, Secretary of Agriculture Wallace, and NRA Administrator Hugh S. Johnson, became effective as of July 9, 1934. Labor provisions are under NRA jurisdiction; other sections under AAA.

A basic maximum of 40 hours a week, 8 hours a day, is set up, with certain employees permitted to work 12 hours a day provided they are paid at least $25 a week.

Minimum wages established are 22½ cents an hour for unskilled common labor and $16 a week for clerical employees. It is provided that no weekly wage shall be reduced because of a reduction of working hours under the Code requirements. The rate of 22½ cents an hour represents a substantial increase over past conditions.

Officials of the Tobacco Section of the Agricultural Adjustment Administration, who assisted members of the industry in drawing up the Code, pointed out that the Code is unique in that it provides for representation of tobacco farmers on the Code authority, which will administer the Code.

The Code provides for a producers' advisory committee of five members, whose chairman is a member of the auction and loose-leaf tobacco warehouse industry code authority which is set up under the Code. The producers' advisory committee is designed to represent the interests of tobacco growers and to act as spokesman, through its chairman, for the producers. The chairman, however, is not entitled to vote as a member of the authority.

Voting members of the Code authority will number eleven, ten of them elected by warehouse associations in the various tobacco belts and one elected by members of the industry who are not warehouse association members.

The Code provides for the slowing down of the rate of sale of ungraded tobacco on the auction warehouse floors to a maximum of 360 piles or baskets an hour. The rate for tobacco graded in accordance with United States grades shall not exceed 375 piles or baskets an hour. On some markets tobacco heretofore has been sold as fast as 400 piles or baskets an hour, and at times it has even run as high as 450 sales. Farmers are also allowed at least fifteen minutes after an auction sale in which to reject a bid.

The Code further provides that all tobacco offered for sale shall be weighed by a licensed weighman and that scales shall be tested daily during the marketing season.

It provides that buyers shall pay for the tobacco on the basis of weights at the time the tobacco is taken from the warehouse floor rather than on the basis of what it weighs after it has been transported to the factory.

The Code authority, with the approval of the Secretary of Agriculture, will recommend the opening dates for sales in each of the tobacco belts.

Safeguards against discrimination between growers has also been provided in the Code. Rebates of all kind, direct or indirect, are definitely prohibited. No warehousemen shall reserve space in his warehouse for any person other than a producer or bona fide dealer in tobacco. The reservation of floor space for truckers is prohibited.

In States where warehouse charges are not fixed by law, each tobacco warehouse association must submit to the Code authority a schedule of fees and commissions to be charged by all warehousemen in the tobacco belt in which such association is located. Upon

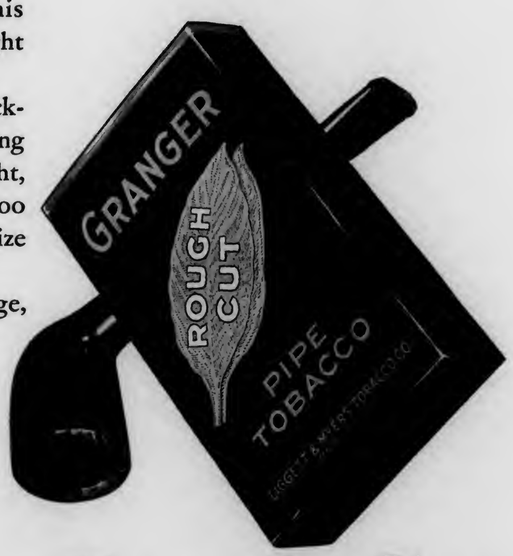



# Man.. that's a sensible package!

ALL you have to do is to use a little common-sense, and you'll understand that this Granger package is the right idea.

What you want in the package for tobacco is something that will keep the tobacco right, that is not too bulky or too heavy, and that decreases in size as you smoke the tobacco.

That's the Granger package, a sensible package.




# Granger Rough Cut

**the pipe tobacco that's MILD**
**the pipe tobacco that's COOL**
***—folks seem to like it***

© 1934, Liggett & Myers Tobacco Co.

approval of the secretary, such schedule of charges shall be in effect during the marketing year.

The Code provides that it shall be a condition of every sale of tobacco at auction that the buyer of the tobacco shall not be permitted to reject tobacco purchased by him upon the grounds that such tobacco was not of the character or in the condition which the buyer believed it to be at the time of his purchase unless it shall be proved that such tobacco was "nested," "shingled," "false-packed" or damaged.

Each basket or container and each truck used in weighing tobacco must be uniform in weight with a maximum tolerance of one pound. When a basket or container of tobacco is weighed, the exact weight to the nearest even pound shall be entered on the books of the warehouse and on the basket ticket.

On markets where tobacco is sold in baskets belonging to the warehousemen, the warehouseman shall charge and collect from each buyer for the use of such baskets a basket charge of 10 cents for each 1000 pounds of tobacco so sold.

Soliciting of tobacco by paid solicitors is forbidden. This does not apply, however, to the warehousemen or other warehouse employees who are actually engaged in selling tobacco.

Warehousemen and their employes are forbidden to speculate in tobacco sold on their floors, although a warehouse is permitted to operate a leaf account to protect the sales on its floor. Warehousemen are forbidden to offer a guarantee or a minimum price to a tobacco producer as an inducement for selling tobacco on a particular floor.

# Kerr-Smith Tobacco Act Passed;

## Plans for Its Administration

SECRETARY of Agriculture Henry A. Wallace and Administrator Chester C. Davis have approved plans of the Agricultural Adjustment Administration's tobacco section for administration of the Kerr-Smith Tobacco Act. These plans provide for an ad valorem tax at the minimum rate of 25 per cent., the full tax exemption of 6 per cent. permitted under the Act to non-contracting growers and regulations and instructions to field workers upon whose recommendations allotments will be made to non-contracting growers.

The tax of 25 per cent. of the market value will be applicable on all tobacco produced this season by growers who do not receive tax-payment warrants either under production adjustment contracts or by allotments made to non-contracting producers except Maryland tobacco, Virginia sun-cured and cigar-leaf. Prior to March 1, 1935, it will be necessary to conduct a referendum among the growers of the different types of tobacco to determine whether they want the tax applicable in 1935-36 to their type of tobacco.

In fixing the tax rate at the minimum allowable under the law, the Administration took into consideration the fact that the 1934 crop of tobacco was practically all planted when the Act was passed. If there are any counties where it will not be possible to issue tax-payment warrants to all growers who might be willing to conduct their farming operations in line with the spirit of the production adjustment program, the Administration said it felt these cases would be better taken care of with the minimum tax than with a higher rate. The Act authorizes a rate of 33 1/3 per cent. of the market value unless the Secretary of Agriculture determines and proclaims a lower rate.

"As we understand it," J. B. Hutson, chief of the tobacco section, said, "the two primary purposes of the Tobacco Act are to discourage the production of tobacco by those who have not shared in the production adjustment program and to equalize insofar as possible, as between contracting producers and non-contracting growers, the advantages of the higher prices resulting from the adjustment program. We bore these purposes constantly in mind in working out the plans for the administration of the Act."

The Act authorizes issuance to contracting growers of the types to which the Act is applicable non-transferable tax-payment warrants expressed in pounds of tobacco and covering the amount of tobacco which such contracting producers are permitted to market under their contracts. In addition, the Secretary may issue in any county further warrants covering an amount of tobacco up to 6 per cent. of the amount of such type covered by the warrants issued to contracting producers in the county.

The regulations will permit allotments of tax-payment warrants in each county; up to approximately the maximum of 6 per cent. specified in the Act. In a large number of counties not enough growers will qualify to permit the issuance of warrants covering the full 6 per cent.

Growers whose production adjustment contracts have been accepted or are accepted in the thirty-day extension of the voluntary sign-up authorized under the Act will be issued tax-payment warrants covering their contracted poundage without the necessity of making application for these warrants. All the information necessary for the issuance of these tax-payment warrants is contained in the contracts. The thirty-day extension of the sign-up campaign ends July 28, 1934.

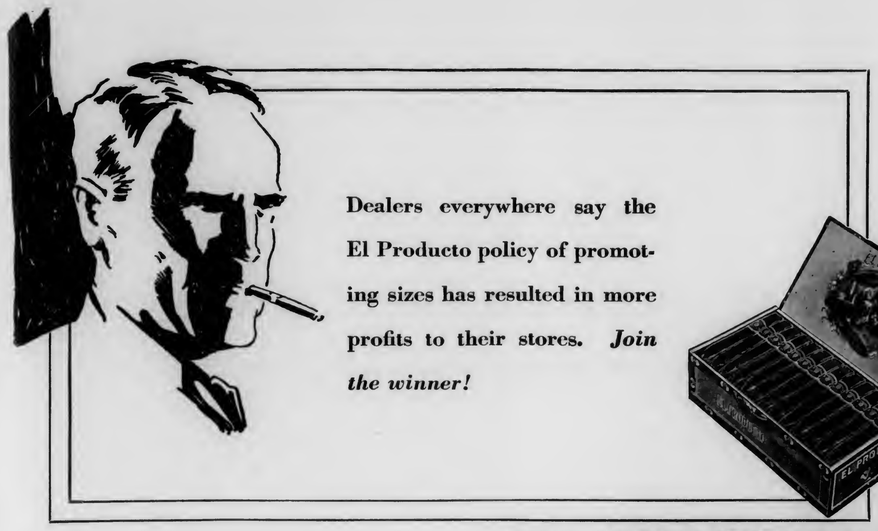
In order to secure an allotment, it will be necessary for non-contracting growers to make application upon forms to be provided by the Secretary. Application forms for flue-cured tobacco growers went to press on July 2d.

All applications for allotments must be recommended by the county committee and approved by the county agent before the Secretary will issue tax-payment warrants. These warrants will not be issued to any non-contracting grower unless it is impossible to give him an equitable allotment under a tobacco production adjustment contract.

Warrants covering at least two-thirds of the amount of tobacco allotted to non-contracting growers

*(Continued on Page 14)*




Dealers everywhere say the El Producto policy of promoting sizes has resulted in more profits to their stores. *Join the winner!*
EL PRODUCTO
G. H. P. CIGAR CO., INC., PHILA., PA.
EL PRODUCTO
*for real enjoyment* 10 *cents* AND UP

### CIGARETTE EXPORTS NEARLY $5,000,000

LEAF TOBACCO was the third most valuable export product of the United States last year, according to a study just completed by the Chamber of Commerce of the United States. Foreign sales of leaf tobacco amounted in value to $82,094,000 in 1933 as compared with $64,983,000 in 1932. They constituted 5 per cent. of the total value of United States exports last year.

Exports of American cigarettes even exceeded foreign sales of wheat and of corn in value last year, according to this report. Exports of cigarettes were valued at $4,895,000 in 1933 as compared with a value of $4,769,000 for wheat exports and a total of $2,653,000 for corn exports.

One of the important factors accounting for the volume of foreign sales of cigarettes produced in this country is the world-wide recognition of their quality, American ingenuity being responsible for many improvements in this product, such as the use of only the mild center leaves of choice tobaccos, the introduction of the toasting process and other modern manufacturing methods. Total production of cigarettes in the United States last year exceeded 111,000,000,000.

### "ON THE ROAD TO MANDALAY"

THE BURMA GIRL a'settin' by the road to Mandalay nowadays is likely to be smokin' of an American cigarette instead of the whackin' white cheroot which Kipling wrote about in his famous poem, for American cigarettes are popular in the Orient. Figures recently made public by the Department of Commerce show that the Philippine Islands bought more American cigarettes last year than did any other export outlet, purchasing more than a billion cigarettes produced in the United States. China, The Netherland East Indies and other Oriental lands were also among the leading export markets.

Reasons for the popularity of the American cigarette include their high quality and their mildness as the result of such practices as the use of only the center leaves of choice tobaccos and the adoption of such modern manufacturing methods as the toasting process. Long before American women were reaching for cigarettes the women of the Orient enjoyed their cheroots, which are now being replaced by the more convenient and milder short smoke.

### GIRARD SPORTS BROADCAST

Richards Vidmer, veteran sports reporter, is conducting a radio sports column over WABC daily except Monday from 6:45 to 7 P. M. (E. D. S. T.). The presentations are sponsored by Webster-Eisenlohr, Inc., makers of Girard cigars.

Vidmer, in addition to his keen observation and ability to recount what he sees on the tennis courts, football fields and baseball diamonds, excels in many of the activities he describes. As a student at George Washington University he played on the football team and later coached St. John's College, Washington. He has been on the *New York Herald-Tribune* sports staff since 1927, and prior to that served with the *New York Times* and the *Morning Telegraph*.

## KERR-SMITH TOBACCO ACT PASSED

(*Continued from page 12*)

in each county will be issued to growers whose allotments are not more than 1500 pounds. At least one-half of this two-thirds must be allotted to growers whose estimated production in 1934 is not more than 1500 pounds.

Prior to the opening of the markets marketing cards will be issued to all contracting producers and to all non-contracting growers for whom applications for tax-payment warrants have been approved. The amount of tax-exempt tobacco which each grower will be allowed to sell will be stated on his marketing card.

The grower will be required to present this marketing card at the warehouse in order to obtain the tax-payment warrant. When a sale is made, the number of pounds sold will be entered on the marketing card corresponding to the entry on the tax-payment warrant. These figures, representing the tobacco sold, will be subtracted on the marketing card from the quantity allotted and the remainder will represent the allotment yet to be sold.

# "Weed" Rotation Helps Tobacco

### One Year of Tobacco to Two of "Weeds"

ORDINARY weeds in a crop rotation have given exceptional quality to another "weed," tobacco. In growing tobacco, it should be remembered, "quality" and not quantity is the hard thing for the tobacco farmer to get. On experimental plots maintained by the Maryland Agricultural Experiment Station and the U. S. Department of Agriculture near Upper Marlboro, Md., in a three-year rotation, one year of tobacco and two years of weeds, tobacco of such quality has been grown that its average market value each year has been 31 cents a pound or $380 an acre over an eleven-year period. The yield, too, has been good—1227 pounds an acre. Crops grown under this rotation have been harvested every year during this time.

Quality, differing for different types of tobacco, means chiefly in the case of this southern Maryland tobacco, good combustibility, mildness and light weight per unit of volume. It is a rather light-colored, air-cured type, used primarily in cigarette blends and also exported. Some of this export trade began 300 years ago and production on these soils has continued for approximately that many years.

In a two-year rotation, a year of tobacco and a year of weeds, the crop had an average market value of $374 an acre, with an average yield of 1187 pounds. Indications are that the advantage of the three-year over the two-year rotation will increase as the tests are continued. In some cases where land is scarce, the two-year rotation might be the more desirable.

The chief value of the weed fallow in producing this quality tobacco appears to be that it causes the plants to make a quick start and maintain a rapid and uniform growth until maturity. That its virtue lies mainly in the weed crop is shown by much poorer results on plots where the weeds are kept down by hoeing during the rest period. On the weed rotation plots the ground is not disturbed during the idle years.

Among the weeds which seem to give the most quality to this tobacco are common ragweed and horseweed or Canada fleabane. It is probable, according to D. E. Brown and J. E. McMurtrey, Jr., of the Bureau of Plant Industry, who are conducting the experiments, that rotating weeds with tobacco can be equally successful in most other tobacco areas, even though the soils and the quality of tobacco sought may differ from that of southern Maryland.

Those results are of especial importance at the present time in connection with the problem of keeping tobacco production within bounds and reducing the proportion of low-grade leaf.

Considering both yield and quality of tobacco, the only other cropping system which approached the weed fallow is a three-year rotation with wheat and red clover, which during an eight-year period had an average yield of 1170 pounds an acre, but, because of poor quality, an average value of only 23 cents a pound or $262 an acre. This fairly good showing may be due to the fact that after cutting the clover hay early the second year, the clover has been largely replaced by weeds.

The tests were begun in 1912 to find rotations of cultivated crops which would give "quality" to tobacco. It was grown continuously without a cover crop, and with rye, crimson clover and hairy vetch as cover crops. It was grown in two-year rotations, with wheat followed by crimson clover or cowpeas, and finally in the three-year rotation with wheat and red clover. A uniform fertilizer was used on the tobacco crop alone.

When legumes were used and fertilizer omitted, there was a rapid decline in both yield and quality of tobacco. A fair yield of tobacco has been maintained with fertilizer and no cover crop, but both yield and quality declined in later years. Hairy vetch has been superior to crimson clover as a cover crop, but it and cowpeas produce a poor quality of tobacco leaf. Doubling the potash in the fertilizer improves quality and in some cases increases yield.

Apparently legumes in the cropping system, besides directly lowering the quality of tobacco, indirectly favor development of black root rot, which retards growth. This was especially true in the cowpea rotation. Rotation with weeds also can be recommended as one means of controlling root knot, prevalent in the Carolinas and Georgia, but not in Maryland, where the climate is too cold.

Sponsors of these experiments point out, however, that when combined with proper fertilization and not employed too frequently or too persistently, legumes may be used to advantage in the cropping system for tobacco in southern Maryland, especially on the poorer soils, known to be free from root disease.



## W. T. CLARK ELECTED HEAD OF TOBACCO ASSOCIATION OF U. S.

THE thirty-fourth annual convention of the Tobacco Association of the United States was held at White Sulphur Springs, W. Va., on July 6th. Increased interest in the affairs of the association was indicated by the attendance, which was the largest in many years. Col. A. B. Carrington, of Danville, Va., who had been president of the association for nine consecutive years, was unable to attend the meeting on account of illness, and his annual address was read by Henry Hotchkiss, of Richmond, Va.

A letter from Col. T. M. Carrington, chairman of the board of directors, and former president of the association, was read asking that he be relieved from the chairmanship. Upon motion duly made and carried, the office of chairman of the board was abolished.

J. C. Lanier, of the A. A. A., Washington, D. C., briefly addressed the meeting on subjects pertinent to the association activities, and he was followed by B. D. Hill, chief of the Tobacco Division, United States Department of Commerce, Washington, D. C., who delivered a short address on the workings of his department. Mr. Hill then introduced Mr. Granville Woodward, Commercial Agent at New York City of the Department of Commerce, and Consultant on Chinese Affairs, and Mr. Woodward spoke on the subject of export tobacco to China.

Wm. Holmes Davis, president of the Virginia Forwarding Corporation, Norfolk, Va., then addressed the meeting on the subject of The Virginia Ports and the Export Tobacco Trade.

The Nominating Committee then made their report and placed the following names before the meeting for consideration for officers for the ensuing year: W. T. Clark, president; E. J. O'Brien, first vice-president; F. N. Harrison, second vice-president; J. S. Ficklen, third vice-president, and they were duly elected.

E. A. Brown, of the Tobacco Exchange, New York City, then addressed the meeting and explained the workings of the Exchange and its many advantages to the industry.

R. J. Barker, president of the American Steamship Owners' Association, New York City, then addressed the meeting on the subject of Ships Held Vital to Tobacco Industry.

Following this address the Marketing Committee gave its report and the following dates were agreed upon for the opening of tobacco markets in the various belts:

| | |
|---|---|
| Georgia Markets | August 1st |
| South Carolina | August 9th |
| Eastern North Carolina | August 23d |
| Middle Belt | September 13th |
| Old Belt | September 25th |
| Dark Fired | November 7th |

Kentucky, Tennessee, Burley and Dark Markets to determine their own opening dates, to be announced later.

The meeting was completed by the annual banquet held in the evening, with Dr. John Dickinson, of the United States Department of Commerce, Washington, D. C., the principal speaker of the occasion.

The next annual meeting of the association is scheduled to be held in February, 1935.

## NOTICE OF OPPORTUNITY TO BE HEARD

### Cigar Container Industry

(Uniform Method of Cost Inclusion and Application)

The Cigar Container Industry, through the Code Authority, has made application to the Administrator for approval of a uniform method of cost inclusion and application for the members of the industry.

The Uniform Method of Cost Inclusion and Application proposed in such application is available at the office of Deputy Administrator A. C. Dixon, 907 Sixteenth Street, N. W., Washington, D. C., and at the office of the Code Authority for the Cigar Container Industry, 1620 South Forty-ninth Street, Philadelphia, Pa.

Notice is hereby given that any criticisms of, objections to or suggestions concerning said Uniform Method of Cost Inclusion and Application must be submitted to Deputy Administrator A. C. Dixon, 907 Sixteenth Street, N. W., Washington, D. C., prior to Monday, July 23, 1934, and that the Administrator may approve said Uniform Method of Cost Inclusion and Application in its present form and/or in such form, substance, wording and/or scope as it may be revised on the basis of criticisms, objections or suggestions submitted and supporting facts received pursuant to this notice, or other considerations properly before the Administrator.

Any person submitting any such criticism, objection or suggestion must state his name, the persons or groups whom he represents, and the facts supporting his objections, criticism or suggestion. All matters submitted will be given due consideration and the Administrator will act after consulting with such of his advisors as he may deem appropriate.

HUGH S. JOHNSON,
*Administrator for National Recovery.*

A. C. DIXON,
*Deputy Administrator.*

N. B.—Attention is called to an error in the address of the office for the Cigar Container Code Authority in Philadelphia, Pa., which is at 236 Chestnut Street, where a copy of the Uniform Method of Cost Inclusion and Application is on file.

## YORK COUNTY FACTORIES CLOSE

Following the approval and effective date of the Cigar Manufacturing Code, many hand-cigar factories in York County have closed for an indefinite period, affecting several thousand employees.

It is understood that the factories were closed pending an interpretation of the Code by the Code Authority.

June cigar production in York County was reported as follows:

| | June, 1934 | June, 1933 |
|---|---|---|
| Class A | 112,821,010 | 109,981,870 |
| Class B | 237,000 | 274,930 |
| Class C | 11,252,912 | 10,278,338 |

## NEW CIGAR FACTORY AT MANCHESTER, CONN.

Edward Tremblay and William Taft have organized the Tremblay and Taft Cigar Company, and will operate a factory at 145 North Main Street, Manchester, Conn., manufacturing the New Flash cigar to retail at five cents. Other brands will be added to the factory as conditions warrant.

# Foreign Tobacco Markets

China—There has been no marked improvement in the American leaf tobacco situation in Shanghai, but local stocks are known to be moderate and demand domestically in the United States, as well as in Europe, is such that the American supply is reported as moving into consumption at a satisfactory rate and at fancy prices. The price of China grown leaf has dropped about 10 per cent. and toward the end of April silver exchange began to weaken, a further adverse factor for American leaf.

Hamburg—The Hamburg tobacco market in May, 1934, was quiet though registering an improvement over the previous month. As reported by American Vice Consul A. W. Steyne, and made public by the Tobacco Division, Department of Commerce, the foreign exchange situation is causing acute anxiety in the trade and future business has been rendered very difficult. The Hamburg trade is very much concerned about their future existence. The present regulations render the former profitable transit business extremely difficult and the prospects for the immediate future do not appear favorable.

Germany—The outstanding event in the German tobacco industry during April was the formation of a conditional cigarette cartel under the supervision of the Reich Ministry of Economics, to be known as the Wirtschaftliche Vereinigung der Zigaret-tenindustrie (Economic Association of the Cigarette Industry).

American Vice Consul A. N. Steyne in a review of the present situation, as made public by the Tobacco Division, Department of Commerce, states that severe competition, rising advertising costs, high taxation and the consumer switch to the lowest priced varieties had raised havoc with the industry. Voluntary regulatory measures having failed, as several large producers refused to adhere to the agreement, the government stepped in and forced the recalcitrant groups to co-operate.

Tobacco Trade of Taiwan—The external trade of Taiwan (Formosa), that is, trade with Japan proper and foreign countries, held up very well during 1933, showing an increase in all imports of about 7 per cent. over 1932. Both imports from and exports to the United States improved. Leaf tobacco from the United States increased from 236,788 pounds in 1932 to 520,166 pounds. During 1933, imports of cigarettes from Japan proper and foreign countries totaled 898,610,000 as against 1932 imports of 833,083,000. (American Consul John B. Ketcham.)

Sales of Tobacco in Czechoslovakia—In April, 1934, sales of tobacco products in Czechoslovakia totaled 829,000,000 cigarettes; 12,500,000 cigars; 92,620 pounds of cigarette tobacco; 1,307,328 pounds of pipe tobacco and 8598 pounds of snuff. March sales totaled 932,000,000 cigarettes; 14,000,000 cigars; 103,616 pounds of cigarette tobacco; 1,483,696 pounds of pipe tobacco and 10,251 pounds of snuff. Comparing April with March, the decrease in cigarette sales of cigars and cigarette smoking tobacco was approximately 11 per cent., pipe tobacco 12 per cent. and snuff 16 per cent. During 1933, tobacco products valued at 2,172,-957,820 crowns were consumed, the per capita being 145.97 crowns, or about $6. (American Commercial Attache Sam E. Woods.)

Nyasaland's External Tobacco Trade—During 1933 the volume of tobacco exports from Nyasaland was substantially lower than the average annual trade during the past five years and since tobacco usually accounts for the largest part of the value of Nyasaland's exports, the influence on the economic position of the Protectorate was noticeable. Tobacco production, especially the native-grown fire-cured types, was restricted, consequently the purchasing power of the large native population was materially reduced. The present tobacco crop is reported to be satisfactory in both quality and quantity. (American Commercial Attache Edward B. Lawson.)

Consumption of Tobacco in Canada—According to unrevised figures made public by the Canadian Department of National Revenue, tobacco products and foreign leaf tobacco entered for consumption during the month of May, 1934, consisted of cut tobacco, 1,731,922 pounds; plug tobacco, 415,972 pounds; snuff, 74,322 pounds; cigarettes, 431,667,650 pieces; overweight cigarettes, 14,600 pieces; cigars, 10,325,277 pieces, and foreign raw leaf tobacco, 869,923 pounds. Adding May entries for consumption to those issued monthly since the beginning of the year, brings the totals entered for consumption during the first five months of 1934 to the following figures: cut tobacco, 7,255,023 pounds; plug tobacco, 1,723,455 pounds; snuff, 307,733; cigarettes, 1,685,589,040 pieces; overweight cigarettes, 89,700; cigars, 35,300,228, and foreign raw leaf tobacco, 3,570,104 pounds. During May, foreign raw leaf tobacco exwarehoused for duty totaled 869,925 pounds, leaving a balance in warehouse at the end of the month amounting to 4,586,232 pounds. During May, excise taxes were paid on 6,912,762 cigars. (American Assistant Commercial Attache O. B. North.)

Cigarette Imports Prohibited by Honduras—Decree No. 10 of the Honduran cabinet, dated June 8, 1934, a measure intended to protect the Honduras cigarette industry, prohibits the importation of foreign cigarettes after August 1, 1934. (American Vice Consul R. Austin Acly.) The cigarette trade of the United States with Honduras has shown a downward trend in recent years, decreasing from 3,300,000, valued at $9028 in 1929, to 1,026,000, valued at $2500 in 1933. Shipments in 1930 totaled 2,550,000 valued at $6886. The 1931 total was 1,981,000, valued at $5285, and the 1932 total 1,068,000, valued at $2859. (Ed.)

Cuban Tobacco Consumption—Figures recently released by the Comision Nacional de Propaganda y Defensa del Tabaco Habano, shows that in February, 1934, the number of cigars consumed in Cuba totaled 4,220,525 as compared with 5,245,650 in February, 1933. In the same month of this year, 16,520,190 packages of cigarettes were consumed in this country as against 13,719,478 packages in the corresponding month of 1933. The consumption of smoking tobacco totaled 18,652 pounds in February, 1934, and 15,110 pounds in February, 1933. (American Commercial Attache W. J. Donnelly.)

Bolivian Cigarette Factories—The two new plants operating in the production of cigarettes in La Paz, Bolivia, have considerably developed their business but have been hampered by taxes of all classes which have greatly restricted their profits. It has been estimated that 60 per cent. of the sales price of cigarettes is devoted to the payment of internal revenue taxes, stamp charges, import duties on tobacco,



## MANNY PEREZ TELLS 'EM

MANUEL L. (MANNY) PEREZ, of Marcelino Perez and Co., Tampa, Florida, electrified the members of the Philadelphia Retail Tobacco Dealers Association with an address on the necessity of organization, at a meeting in the Hotel Adelphia on July 10th. He reviewed the long and arduous labors unstintedly and unselfishly performed by the manufacturers, wholesalers and the less-organized retailers headed by Bill Hollingsworth, in obtaining the approval of the tobacco codes, and said that the retailers must be much better organized than they are at present, since they must protect their branch of the industry against chiseling and other violations of the code provisions by doing their own policing, instead of relying on the manufacturers and wholesalers for this important work.

Other addresses were made by D. Eisman, of the Arrow and Stanley companies; Nelson Eberbach, of A. B. Cunningham & Co. and representative of the National Association of Tobacco Distributors; Max Bernfield, charter vice-president of the Retail Tobacco Dealers of America, Inc.; John Matchett, of Yahn & McDonnell; George Jones, treasurer of the local organization; and, of course, Harry A. Tint, president, who conducted the meeting.

President Tint appointed each of the following members as a "territorial committee of one" to interest other retailers in his neighborhood in the aims and purposes of the association and to enlist these neighboring dealers as members for the city-wide execution of those purposes: M. J. Goldberg, Sam Spivak, Louis J. Bard and Irving Lubar. They will be assisted in this work by the secretary of the association, Sam Greenwald, whose energy and enthusiasm served greatly to enliven the meeting.

## ORNBURN ON THREE TOBACCO CODE AUTHORITIES

IRA M. ORNBURN, president of the Cigar Makers International Union, has been appointed to the code authorities for the three tobacco codes so far approved, it was announced today. He will serve as administration member of the code authorities for the wholesale tobacco trade and the retail tobacco trade, and as Labor Advisory Board member of the cigar manufacturing industry code authority.

Mrs. Charles S. Brown, Jr., will also serve as administration member of the code authority for the wholesale tobacco trade. Mrs. Brown is the daughter of Wm. J. Schieffelin, president of the Citizens Committee of New York, and has been president of the National Junior League.

## LORILLARD CHANGES DISTRICT MANAGERS

A. R. Rhodes, who has been with the P. Lorillard Company for nineteen years, has been transferred from the West Texas division to Little Rock, Ark., where he will be manager of the Arkansas Division. Mr. Rhodes had been in charge of the Little Rock territory from 1921 until 1925, when he was sent to Texas.

Julep cigarettes, distributed here by Yahn & McDonnell Cigars, met with a pleasing reception, which has continued, and which necessitated a prompt reorder on this brand. The brand is mint cooled and is being placed only in the high-grade outlets which maintain the retail price at 15 cents for twenty cigarettes.

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

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"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

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OUR HIGH-GRADE NON-EVAPORATING

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

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## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

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CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

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**CIGARS WANTED**

I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

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OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

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BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### ANNOUNCEMENT TO RETAILERS

THE National Code Authority for Retail Tobacco Trade makes first important official announcement. Dealers are requested to read this carefully to avoid possible violation of new Code. "The Retail Tobacco Trade's Code of Fair Competition, approved by President Roosevelt on June 19th, contains, among other things, provisions requiring action by tobacco retailers within specified times.

"Any retail merchant in the United States whose principal line of business is the sale of tobacco products must elect before July 16, 1934, to operate upon certain schedules of store hours and hours of labor and is required to post a copy of such election in his store.

"Every such retail merchant must also post in his establishment complete copies of the code provisions covering hours, wages and conditions of employment.

"For complete information upon how to comply with the articles mentioned above, communicate at once with Retail Tobacco Trade National Code Authority, 726 Jackson Place, Washington, D. C."

### $11,751,982 TO FARMERS

RENTAL and benefit payments amounting to $11,751,982 had been sent out to tobacco farmers to June 20th, and $16,066,606 in tobacco processing taxes had been collected to June 1, according to a recent announcement from the Agricultural Adjustment Administration. Payments to growers by States (not including administrative costs of production control associations) are as follows:

Alabama, $1236; Connecticut, $216,573; Florida, $178,092; Georgia, $1,307,811; Illinois, $267; Indiana, $38,707; Kentucky, $1,650,402; Maryland, $27,178; Massachusetts, $104,924; Minnesota, $25,699; Missouri, $5068; New Hampshire, $2383; New York, $26,237; North Carolina, $4,791,007; Ohio, $359,508; Pennsylvania, $500,940; South Carolina, $1,454,760; Tennessee, $80,646; Vermont, $2833; Virginia, $489,283; West Virginia, $30,134; Wisconsin, $458,285.

### CONSOLIDATED PREFERRED DIVIDEND

At a meeting of the Board of Directors of the Consolidated Cigar Corporation, a dividend of $1.75 per share on the preferred stock of the Corporation was declared payable September 1 to stockholders of record at the close of business August 15.

AUGUST 1, 1934

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VOLUME 54 NO. 15

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
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**AUTOKRAFT BOX CORPORATION**
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PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

# THE TOBACCO WORLD

Vol. 54 AUGUST 1. 1934 No. 15


THOSE anomalous croakers of the cigar industry who have been predicting that the steady, month-by-month increases in cigar consumption simply could not last, are getting their wish fulfilled in the June figures, just released. There was a decrease of nearly eleven million cigars, or more than 2½ per cent., for the month, in comparison with June of last year. Let the seat-polishing calamity howlers gloat over that fact. For ourselves, we prefer to look into the report before we decide that the bottom has again dropped out of the cigar business.

IN THE first place, when we compare June, 1934, with June, 1933, we are comparing a relatively poor month this year with an exceptional month of last year. You remember how rare a gain was in 1933. Well, last June showed a gain of more than fourteen million cigars, or approximately 3 1/3 per cent. But don't lose sight of the fact that that net gain of fourteen million was made possible by a gain of thirty-six million (10¾ per cent.) in Class A and a gain of sixty-one thousand in Class E, the losses in the other classes aggregating more than twenty-two million.

BUT, what is more important, that gain last year was an oasis in a desert of losses. The 1933 fiscal year ended with a total loss for all classes of more than 660 million cigars (nearly 13 per cent.). Every class last year showed a loss—A—142 million (3 2/3 per cent.); B—thirty-two million (45 per cent.); C—462 million (41 per cent.); D—twenty-one million (30 per cent.); E—four million (43 per cent.).

Now contrast those figures with this year's. Withdrawals for June, 1934, recorded a gain of two million (82 per cent.) for Class B, and the losses were fairly evenly divided among the other classes: A—nine million (2.4 per cent.); C—four million (7.2 per cent.); D—106 thousand (2.8 per cent.); E—eight thousand (2¾ per cent.).

Finally, contrast the figures for the two fiscal years. Instead of a loss of 600 million, there is a gain of more than 290 million, 500 thousand, a gain of 6.48 per cent. as opposed to a loss of 12.48 per cent. You can't sneeze that away with the inconsiderable loss of the one month of June.

We're also going to allow our doughnut-hole statisticians to extract what sadistic pleasure they may out of the fact that cigars were not alone in losses for June. All tobacco products were behind for the single month, including cigarettes. Cigarettes showed a decrease of nearly 418 million (3.35 per cent.). But, oh boy, look at those cigarettes for the fiscal year—a gain of more than seven billion (6.54 per cent.) on the heels of last year's gain of three and one-half billion (3.28 per cent.).

You can't get away from it, gentlemen. The American public is fond of tobacco and is growing fonder of it each year. Thar's gold in that thar leaf.

OUR worst troubles never happen. The things we worry most about in advance never come off as we feared. The latest illustration of this old truth to come to our notice was the docile manner in which the public reacted to the minimum price regulations on cigarettes. We have made it a point to hang around cigar stores since the NRA order went into effect, to notice how smokers took to General Johnson's edict that they must pay at least thirteen cents, or two for a quarter, for standard brand cigarettes. As far as our observation went, and we took our mental notes in all kinds of stores, including the cut rates, smokers simply bought and paid for their cigarettes without making any mention at all, or with only a casual mention, of the extra one two cents for the single package, or the extra one to four cents for two packages. We can probably credit some of that indifference to the activities of the active press bureau of NRA in releasing the news of the minimum price regulation in advance, and the common sense of tobacconists in discussing the fact with their customers for the several days before the ruling became effective. But most of the explanation lies in the general willingness of the public to pay the price for what they want. If, without great inconvenience, they can get the same quality for a lesser price, it is human nature for them to buy at that price, regardless of whether the seller is making money on the transaction or not. That's the seller's business. And regardless of whether the cut-price man is inflicting a hardship on a man in the same line of business selling at a legitimate profit. If the buyer does any thinking about that at all, he concludes that that is really the legitimate merchant's business. It is up to him to see that such chiseling practices are not permitted in his line of trade. And that, gentlemen, is the reason for trade associations. That is the reason, for instance, why every retail tobacconist should be a member of his local organization, and thus become affiliated with the national association, which is fighting his battles for a legitimate profit in his business.

Apropos of that, the *Western Tobacco Journal* recently did us the honor of reprinting one of our editorial paragraphs, in which we commented on the


The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

lack of co-operation among retail tobacconists, as evidenced at a meeting we attended. Under the heading "Pitiful? Yes!" our Buckeye confrere repeated our paragraph, and then went on: "Officers of the Cincinnati Association of Retail Tobacconists should enjoy this little article, as it fits exactly in line with their experiences. They have worked hard to accomplish must good for the local retail stores. The retailers—not all of them—but many have howled terribly account of having to spend a few dollars for membership to the association, some even reaping the benefits and not even belonging to the association. They also believe in the old motto referred to above: 'Let George Do It.'"

# Cigarette, Snuff, Chewing & Smoking Code

WHILE operating under a modified P. R. A. from the very inception of the Presidential agreement, cigarette, snuff, chewing and smoking tobacco manufacturers, conservatively estimated to represent over 95 per cent. of the output of these products in the United States, met at the Hotel Biltmore, New York City, on Wednesday, July 18th, and unanimously adopted a code for submission to the NRA.

The meeting, having been called by S. Clay Williams, chairman of the Cigarette and Tobacco Manufacturers Code Committee, was presided over by Mr. Williams, who on behalf of the Code Committee recommended the adoption and submission of a Code for the cigarette and tobacco manufacturers.

The Code was finally adopted by a unanimous vote, and has been submitted by Chairman Williams to the NRA for consideration and action thereon.

A list of manufacturers represented at the meeting is enclosed.

The Code Committee consists of: S. Clay Williams, chairman; W. F. Axton, Jesse A. Bloch, H. L. Brown, Esq., T. F. Flanagan, W. W. Flowers, George W. Hill, Everett Meyer, William T. Reed, H. M. Robertson, Esq.

The following manufacturers were represented at the meeting:

American Snuff Co., Memphis, Tenn.—M. E. Finch, secretary and treasurer; Martin J. Condon, president.

The American Tobacco Co., 111 Fifth Avenue, New York, N. Y.—George W. Hill, president; C. F. Neiley, vice-president.

Axton-Fisher Tobacco Co., 1930 Maple Street, Louisville, Ky.—W. F. Axton, president; E. J. Helck, vice-president.

Bendixen Tobacco Co., 416 Liberty Street, Syracuse, N. Y.—R. H. Bendixen, president; Harold Reisinger.

Benson & Hedges, Inc., 435 Fifth Avenue, New York, N. Y.—James J. Head, president.

Bloch Bros. Tobacco Co., Fortieth and Water Streets, Wheeling, W. Va.—Jesse A. Bloch, vice-president; W. J. Frankston, Harold Bloch (New York office).

F. M. Bohannon, Tobacco Mfr. Inc., 514 Depot Street, Winston-Salem, N. C.—J. C. Trotman, president.

Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky.—George Cooper, president; H. M. Robertson, Esq., E. M. Stokes, vice-president.

Byfield Snuff Co., Main Street, Newbury, Mass.—John C. Flynn (of the Geo. W. Helme Co.).

Continental Tobacco Co., 119 Fifth Avenue, New York, N. Y.—O. H. Chalkley, vice-president.

De Nobili Cigar Co., 35-11 Ninth Street, Long Island City, N. Y.—A. Corte, secretary.

Geo. W. Helme Co., 111 Fifth Avenue, New York, N. Y.—John C. Flynn, president.

John C. Herman & Co., New Cumberland, Pa.—John C. Herman.

Italian Cigar & Tobacco Co., Inc., 473 Hudson Street, Brooklyn, N. Y.—G. Pisapia.

Larus & Bro. Co., Twenty-first and Main Streets, Richmond, Va.—A. T. Webster, W. T. Reed, Jr.

Liggett & Myers Tobacco Co., 212 Fifth Avenue, New York, N. Y.—W. W. Flowers, vice-president.

P. Lorillard Co., 119 West Fortieth Street, New York, N. Y.—H. Laurence Brooke, Esq.; David H. Ball, vice-president.

Philip Morris & Co., Ltd., 119 Fifth Avenue, New York, N. Y.—O. H. Chalkley, vice-president.

R. J. Reynolds Tobacco Co., Winston-Salem, N. C.—S. Clay Williams, M. A. Braswell, Esq., John C. Whitaker.

Roth Tobacco Co., 106 South Frederick Street, Cape Girardeau, Mo.—E. W. Flentge, president.

Ryan-Hampton Tobacco Co., 822 South Floyd Street, Louisville, Ky.—J. B. O'Brien, president.

Scotten-Dillon Co., 4085 West Fort Street, Detroit, Mich.—William M. Dillon, vice-president.

Stephano Bros., Inc., 1014 Walnut Street, Philadelphia, Pa.—E. P. Carlton, C. E. Stephano.

Taylor Bros., Inc., 302 First Street, Winston-Salem, N. C.—Harry P. Taylor, president and treasurer.

United States Tobacco Co., 1107 Broadway, New York, N. Y.—H. L. Brown, Esq., J. W. Abbott.

## CIGARS WITH "SELF-HOLDERS"

The Twentieth Century Cigar Corporation have newly introduced the Smoke King cigar, the filler in which is a fine blend of Havana tobacco while the wrapper is Connecticut shade-grown. The feature that sets it apart from competition is the Bakelite Molded tip, or holder, which is supplied with every cigar. The holder is equipped with an absorbent filter, making for perfect cleanliness, a cooler smoke, and elimination of any harshness or bite that may be in the tobacco. The makers claim that with this holder it is possible to smoke the cigar down to the last half inch, thereby affording a longer smoke. Despite these numerous advantages, the cigar is reasonably priced.

## PAYMENTS TO GROWERS

Rental and benefit payments to tobacco growers in twenty-three States co-operating in production-adjustment programs of the Agricultural Adjustment Administration totaled $12,861,632.35, up to June 30th, according to a report made by Comptroller John B. Payne to Administrator Chester C. Davis. Payments during the month of June to tobacco growers totaled $3,338,421.66. The Agricultural Adjustment Administration is now in the process of paying approximately $25,000,000 in first payments to producers adjusting 1934 tobacco production.



# Musings of a Cigar Store Indian

**By Chief "Young-Man-Smoke-Cigars"**

CREDIT Irv. Wilson, clerk for G. W. Anderson, United Sales Agent at King City, California, with this: "*THREE KINGS*, in a *WHITE ROLLS*, passed the *OLD MILL* on the road to *MARLBORO* . . . in search of a *LUCKY STRIKE* of *OLD GOLD*.

"In the *KOOL* of the evening they stopped at *JOHNNIE WALKER'S* and found *PHILLIP MORRIS* dressed in his *DOMINO* suit, talking to *FATIMA* on the inevitable *CHESTERFIELD*. While there, who should drop in but *RALEIGH* of *AVALON* with a sack of *SPUDS* from *PIEDMONT*, to be delivered to *MURAD* on the *PALL MALL* in London, or what have you. *RALEIGH* was riding a *CAMEL* suffering from halitosis, so they gave it (the camel) *LISTERINE*, but even then it did not smell like a *MILO VIOLET*. (You know what we mean.)

"His *IMPERIAL* highness *LORD SALISBURY*, the high *MOGUL* of *TARRYTON*, arrived in an *EGYPTIAN STRAIGHT* eight and wanted to bet *TWENTY GRAND* that if he had *WINGS* he would make *PAUL JONES* do the *SALOME* in front of *OMAR*, the tent maker."

Incidentally, the editor of the *United Shield* comments: "Who hasn't one *TIME* or another tried to do his *PRETTIEST* in this respect . . . and ' 'twould be *PICAYUNE* to not admit that Irving's mighty effort is a *HOME RUN* compared with "III" or more others we've read.'"

From Valdosta, Ga., comes the story that a three-foot snake, found in George Coppage's barn in the northern part of Lowndes County, was killed, and was found to have a leaf of tobacco in its mouth. The snake had already swallowed about half of the leaf. Several men saw the tobacco-chewing snake killed. The only crack we can make on that yarn is that if it happened in the north, the snake was probably a male.

Times have changed since the days when there was an Indian in front of every cigar store. One of the big points of difference is that then every tobacconist charged the same price for a given product. If you had talked to one of those old boys about "loss leaders" he would have been tempted to call for what was then known as the "hurry-up wagon" to bear you away to what became known a little later as the "bug-house." An old buck who remembers the old-fashioned principles of those old-fashioned days may be pardoned if he gets a laugh now and then out of the present situation. Laugh No. 1—the so-called tobacco retailers who didn't make a move towards preventing the grocery, drug and tobacco chains from selling cigarettes at cut prices, are now loudly complaining that the present compulsory mark-up is inadequate. Laugh No. 2—those same kickers are the loudest in their refusal to support with a few dollars the retail and national associations which must police the trade to prevent chiseling and the violation of fair-trade practices in general. Laugh No. 3—the spectacle of the cut-pricer who makes a big hullabaloo because another cut-pricer in his neighborhood cuts prices under his cut prices.

You remember reading about Mecklenberg in these columns. Well, the St. Louis correspondent of *Tobacco* has dug up some interesting information about what he calls the last two members of a lost tribe—that of the Wooden Indians. Chief "Smoke Gets in Your Eyes" (that sounds modern) and Princess "Honky Tonkaroo' (boy, page Joe Frisco) are the only two members of the tribe in St. Louis who have not joined their fathers in the Happy Hunting Ground. The masculine survivor stands guard outside the smoke-shop of Edward Mecklenberg, while the princess adorns the front of the shop of the woman tobacconist, Mrs. Clara Heaghney.

For seventy-eight years, since the day Mecklenberg's grandfather purchased the chief, he has been lugged to the sidewalk when the shop opened in the morning, and back inside at night—a total of 28,489 round trips, if you're interested. Once adorned with a tomahawk in one hand and a peace pipe in the other, the chief has suffered from the ravages of time and the mischievousness of small boys. He now stands empty-handed. Only once has he left his stand in those seventy-eight years. That was in 1896 when he was blown 150 feet by a cyclone.

The princess has not been so lucky about being carried to shelter at night. Her feet are buried ankle deep in a block of concrete to prevent her being carried off by an aspiring suitor.

Charles "Mickey" Norman, 3d, was three years old on Saturday, July 28th, and his parents had hoped against hope that he would celebrate the event by giving up smoking, a habit he acquired when he was fourteen months old. "No, I smoke some more, more, more," he exclaimed, and to prove it he puffed contentedly at a cigarette. So long as he could smoke his cigarette, Mickey chuckled happily and talked in monosyllables. After that he longed for his pipe, a corncob a Southern admirer sent to him. "Pipe," he demanded, "I smoke." His grandmother explained that Mickey acquired his taste for tobacco when his father, a steamshovel operator, gave his pipe to Mickey as a pacifier so that he could eat his evening meal in peace. He smokes cigarettes, cigars and a pipe with equal pleasure. Mickey has never been ill, his folks said. Two other children in the house had measles and whooping cough, but Mickey escaped. A doctor examined him recently and found him in perfect physical shape. No one would want Mickey's example followed by babies generally, but maybe he is destined to be the clinching proof that tobacco, instead of being the terrible drug it was long accused of being, is good for what ails you.

# PHILADELPHIA.

### "CIGAR SMOKING" INVITED AT BAYUK'S

AS YOU step off the elevator to the seventh floor offices in Bayuk headquarters, your eyes are greeted by the sign: "Cigar Smoking Cordially Invited" . . . Schragrin & Roseman are showing nice strides on Phillies in their Youngstown, Ohio, territory . . . King Cigar Co., Flint, Mich., are keeping their sales force pepped up to meet the demand for Bayuk Phillies in their region . . . Converse Tobacco Co., New Bedford, Mass., are placing Phillies freely in their territory, as indicated by the shipments rolling from the factory with regularity . . . R. A. Kern, Mansfield, Ohio, is keeping Bayuk products to the forefront . . . T. F. Stanton, of Portsmouth, Ohio, accompanied by Mrs. Stanton, stopped off at Bayuk's en route to Atlantic City, where they are spending their vacation . . . M. J. Bland, associated with F. J. Biel, Terre Haute, Ind., accompanied by Mrs. Bland on their honeymoon through the East, took advantage of the opportunity to go through the Bayuk factory.

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### ROBBERS FOILED THIRD TIME

The Yahn & McDonnell headquarters at 617 Chestnut Street was the scene of an attempted burglary last week, but the burglars were frightened away when they tripped the burglar alarm and detectives arrived on the scene.

The men entered the building through a skylight in the roof and had made their way down to the second floor, but rather than attempt to force the door there they proceeded to cut a hole through the floor in order to reach the first floor where the humidor is located.

But the falling plaster tripped the burglar alarm, and detectives who arrived on the scene almost at once were in time to catch sight of one of the men just as he was escaping through the skylight. Shots were fired at the man, but he eluded his pursuers by running over the roofs of nearby buildings and escaped.

This is the third unsuccessful attempt to raid the stock of Yahn & McDonnell.

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I. B. White, manager of the cigar department of John Wagner & Sons, 233 Dock Street, is confined to his home following an operation for the removal of his tonsils last week. According to latest reports, Mr. White is progressing satisfactorily and is expecting to be able to return to his desk early next week.

## Trade Notes

George Stocking, of Arango y Arango, was in town last week visiting John Wagner & Sons, local distributors of this famous brand.

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The many friends of Bob Donnelly, well-known salesman for Yahn & McDonnell, are congratulating him on his lucky escape from what might have been a serious automobile accident. Mr. Donnelly escaped with a few cuts and bruises and is able to attend to his duties again.

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Clarence Wilson, head shipper for John Wagner & Sons, is proudly driving a nice new delivery truck about the streets. Clarence states the new truck is necessarily larger than the old one in order to take care of the increased business experienced by this old-established house during the past few months.

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Herman Abrams, recently appointed factory representative for the Medalist factory in this territory, has been doing such good work that he was last week promoted by being made factory representative for the entire State of Pennsylvania, as well as Baltimore and Washington territories. Yahn & McDonnell, local distributors of the brand, report a marked increase in sales on this popular brand during the past few weeks.

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Retailers in town (that is most of them) are jubilant over the results obtained from General Johnson's recent order establishing a fixed retail price on cigarettes. The former extreme cut-raters are of course not so well pleased, since now that they do not have the inducement of lower prices to offer the consumer, they find that they never did have the goodwill of the consumer and sales are drifting more and more into the hands of the retailer who always held out for fair dealing and a living profit. Let's hope the established price will be maintained long after the expiration of the present ninety-day order.



# To Independent Cigar Manufacturers—

## Notice of Election

CIGAR manufacturers who are not members of the Associated Cigar Manufacturers and Leaf Tobacco Dealers are entitled to elect two members of the Code Authority; one of these members is to represent machine manufacturers and one of these members is to represent hand manufacturers. The following is a copy of a letter which has been sent to manufacturers who are not members of the association and there is also printed herewith a copy of the ballot which accompanied said letter.

"If you are a cigar manufacturer not a member of the association and have not received such a letter, fill in the ballot here reproduced and mail same as soon as possible to the Cigar Manufacturers Code Authority, 125 Park Avenue, New York City. In order to be counted your ballot must be received by August 6th."

Article VIII, Section 1 of the Code of Fair Competition for the cigar manufacturing industry provides:

"There shall forthwith be constituted a Code Authority consisting of not more than thirteen (13) members to be selected as follows:

"Six (6) members, three (3) of whom shall represent machine cigar manufacturers and three (3) of whom shall represent hand cigar manufacturers, selected by the manufacturers who are members of the Associated Cigar Manufacturers and Leaf Tobacco Dealers.

"Two (2) members, one of whom shall be appointed by the Labor Advisory Board and one of whom shall be appointed by the Consumers Advisory Board of the National Recovery Administration.

"Two (2) members, one of whom shall represent machine cigar manufacturers and one of whom shall represent hand cigar manufacturers, selected by and from non-members of the foregoing association. Within fifteen (15) days after the effective date hereof the other members of the Code Authority shall submit to the Administrator a plan for the selection of said two (2) members which, upon his approval, shall become effective."

Our records indicate you are not a member of the Associated Cigar Manufacturers and Leaf Tobacco Dealers; therefore, it is your privilege to express a choice of someone not associated with the Associated Cigar Manufacturers and Leaf Tobacco Dealers as a member of the Code Authority.

If more than fifty per cent. (50%) of the cigars you produce are made by machine, your selection is limited to someone from the machine group. If more than fifty per cent. (50%) of the cigars you produce are by other methods, your selection is limited to one of the hand group.

# Higher Prices to Tobacco Farmers

TOBACCO farmers, who agreed a year ago to reduce their 1934 crop in return for reasonable prices for the 1933 leaf, are keeping their promise, J. B. Hutson, chief of the tobacco section, Agricultural Adjustment Administration, said today after an analysis of the July 1st crop report. The report, prepared by the crop reporting board of the Bureau of Agricultural Economics, was released July 10th. It estimated the tobacco crop at 1,039,517,000 pounds. This is the approximate figure at which tobacco farmers last year agreed to limit this year's crop.

The indicated crop is as much below annual world consumption of United States tobacco as the 1933 crop of 1,385,107,000 pounds was above consumption, and this was the broader mark at which tobacco farmers were aiming.

Tobacco farmers secured higher prices for the 1933 crop by their co-operative, voluntary action in agreeing to reduce this year's crop, and in addition they have made substantial progress towards reducing excessive surplus stocks that depress prices. Their action will result in removal of approximately 200 million pounds of the 950 million pounds of surplus tobacco stock now on hand.

With the 1933 crop, the total supply of tobacco went up to 3,660,000,000 pounds. A normal supply would have been 2,710,000,000 pounds. More than 750 million pounds of this price depressing surplus accumulated during depression years and at low prices to farmers.

While all types of tobacco have shared in the reduced estimates, a favorable stock situation places flue-cured in a highly favorable situation for the 1934 marketing season. Flue-cured, grown in the Carolinas, Virginia, Georgia and Florida, shows a 20 per cent. reduction below last year's crop. This year's crop is estimated at 526,743,000 pounds.

Burley tobacco, grown over a wide area in Kentucky, Tennessee and nearby States, has been reduced 27 per cent. from last year's crop. This year's crop is estimated at 280,226,000 pounds, a figure slightly more than 100,000,000 pounds under the total harvested last year. Because of excessive stocks, the supply of Burley still is well above one billion pounds, which is considerably in excess of normal needs. Demonstration by Burley growers that they will reduce acreage, however, should react favorably on the market in spite of large supplies.

Acreage planted to fire-cured tobacco, grown principally in Kentucky, Tennessee and Virginia, has been reduced 18 per cent. This was accomplished following an advance in the average price from 5.5 cents for the two previous seasons to 8.1 cents a pound for the 1933 crop. The estimated 1934 fire-cured crop is 111,365,000 pounds compared with 133,353,000 pounds last year.

The report estimated a crop of 30,388,000 pounds for dark air-cured tobacco, grown chiefly in Kentucky, Tennessee and Virginia, compared with a 1933 crop of 33,302,000 pounds. This is less reduction than shown by some other types but the price improvement for the 1933 crop in return for a promise to reduce production was nearly double the average of the two previous crops.

# What Is a Tobacco "Futures Market"?

## A Few Illustrations of "Hedging", or Price Insurance

By EDWARD A. BROWN

LIKE everything new, there are bound to be many who do not understand the significance or importance of "futures markets" insofar as it applies to tobacco. A few simple illustrations of hedging, or price insurance, should suffice to explain to the uninitiated what a futures market on an organized commodity exchange really is. At the outset let me say that trading on the New York Tobacco Exchange, Inc., will be conducted similarly to trading upon other exchange floors such as the New York Cotton Exchange, the Chicago Board of Trade, etc.

Now, trading on every commodity exchange is made up of two broad classes of transactions; spot or cash, and futures trading; these are frequently looked upon as separate or distinct methods of marketing and it would appear so, although every exchange stresses and practically confines itself to the trading in futures.

In spot trading, purchases are made from samples, for early delivery and payment; while in futures trading we have a transaction in contracts for delivery within a future specified month, of tobacco in storage and evidenced by a negotiable warehouse receipt. This class of trading is against the basis or contract grade, as distinguished from sample. In addition to the contract basis grade and type—(in the New York Tobacco Exchange contract it is Burley U. S. type 31-B3F)—other types, grades and qualities are made permissible delivery with adjustment of price for the difference in value between the "contract basis" and the tobacco actually delivered against the traded contract. The regulations of the Exchange define and clearly specify each tobacco deliverable on or against contract. The seller always has the option as to which one of the several permissible tobaccos he will deliver at maturity of his contract should he elect to make delivery of the actual. The regulations of this exchange in its permissible deliveries cover and embrace the several fire-cured, flue-cured and Burley and Maryland types of the B, C and X group. This arrangement makes for a broad and flexible contract.

The seller can always make delivery of actual tobacco within the range of deliverables, and delivery is always accepted. This result is secured by the margin which every buyer or seller of a contract is compelled to put up, fortified by the guarantee of the Clearing Association operating in conjunction with the Exchange, and through which all contracts must clear. In other words, the Clearing Association insures the integrity of every contract.

As a rule, and in the great majority of cases, future contracts are liquidated or closed out by contracts on the floor of the Exchange before delivery date; future contracts are sold over and over again many times before maturity, and the percentage of delivery of the actual physical commodity is very small compared with the number of transactions. Futures trading is quite like the negotiation of a promissory note or of a warehouse receipt, each negotiation or transfer of the note or warehouse receipt is a separate transaction and accounts for the large number of transactions, although there is but one note or warehouse receipt. This fact also accounts for the fact that exchange of trading apparently disposes of a quantity of the commodity greatly in excess of the total actual output of the physical commodity, and should make clear in the mind of the layman why the actual crop of cotton, for instance, is considerably less than the apparent volume of cotton traded on the Cotton Exchange.

At the inception of a futures transaction, there is neither transfer of title nor payment. Margin only is deposited, while delivery and passing of title as well as payment is to be made at a distant month. Thus heavy trading, on a relatively small capital investment is possible. The heavier the trading, the wider the market, and the less likelihood of manipulative or speculative control. A market which is wide, continuous, liquid and of breadth, best reflects true conditions of supply and demand creating a fair and true price basis.

Every Exchange is a price registration center, but price is not determined by the Exchange itself, for it does no trading nor does it participate in any trades. The price comes from the impact of supply and demand influenced by the individual judgment of the numerous buyers and sellers coming together at the ring, or market place. A trade then is the culmination of the meeting of a satisfied seller and a satisfied buyer; otherwise there is no deal. The Exchange, as I have said, does not make prices, it merely records them conspicuously, and instantly by the most modern means of communication it broadcasts and makes them public. In other words the Exchange merely provides the physical machinery for trading and for recording trades, it furnishes the market place or ring for its broker members, who are held strictly accountable for any breach of the high business ethics laid down by the Exchange.

Perhaps the chief economic function performed by the organized exchange is the price insurance or hedge. By this method of hedging, the jobber, dealer, exporter, manufacturer and banker, in fact every one from the grower up to the ultimate consumer may avail himself of insurance against price fluctuations.

For example, Mr. A., a tobacco dealer, has purchased, let us say 10,000 pounds of tobacco on the loose leaf floor. Possibly weeks or months may elapse before he finds a buyer for this tobacco, in the meantime he runs the risk of a price decline. To protect against such drop, he would immediately take out price insurance, via the hedge, by selling a contract for 10,000 pounds on the New York Tobacco Exchange, selecting a distant month in harmony with his idea as to when he would be most likely to dispose of his actual. As soon as he finds a customer for his actual tobacco, he sells the actual and at the same time liquidates his futures transaction by buying back his contract on the New York Tobacco Exchange, if the

**IT TAKES A MAN** like "Bill" Horn, who won the Gold Cup in 1932, to wind a big racing hydroplane up to 3000 r. p. m. and hold her to a speed of 60 to 70 miles per hour... for mile after mile. And when he's tired Camels quickly increase his vim and energy.

**YOU'LL LIKE this delightful way of "turning on" your flow of energy**

*Experience of Camel Smokers confirmed by Science*

A famous New York research laboratory reveals that smoking a Camel produces a definite increase in your flow of natural energy. The effect is delightful, completely natural.

Many smokers have learned of this "energizing effect" in Camels for themselves. "Bill" Horn, winner of the gruelling Gold Cup race, refers to his experience in these words:

"The man who drives a Gold Cup winner needs the last ounce of energy he's got. After a championship race I 'break out' my pack of Camels quickly, believe me! In no time at all I get a 'lift' and everything is all serene! It's a swell feeling—just to smoke a Camel and be your real self again! That's what I do whenever I feel played out, and Camels *never get on my nerves.*"

Try this pleasant and convenient way of ironing out fatigue and increasing vibrant energy. Turn to Camels and learn the truth of the saying, "Get a lift with a Camel." Like to smoke steadily? Smoke as much as you wish! Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand. They do not get on the nerves.

CAMELS Costlier Tobaccos never get on your Nerves

● Camels are made from finer, MORE EXPENSIVE TOBACCOS —Turkish and Domestic—than any other popular brand.

**"Get a LIFT with a Camel!"**

Copyright, 1934, R. J. Reynolds Tobacco Company

price of the actual tobacco has declined so that he sold at a loss, this loss would be practically offset by the profit in the futures transaction. This is due to the fact that the futures market price which is based upon the cash or spot price, usually moves up or down with the spot market like two parallel lines, so that when the spot price declined, the futures market also declined, thus Mr. A. was enabled to buy in his futures contract for less than he sold it for, the difference offsets the loss he took on the sale of the actual tobacco.

Mr. Manufacturer is also interested in price fluctuations, the variations in supply and demand, crop conditions, etc. He took, can hedge. He buys, let us say, 10,000 pounds of tobacco and immediately sells on Exchange an equivalent contract for 10,000 pounds. If tobacco declines he buys in his futures at a profit equal to the decline in the value of his actual tobacco. Inventory likewise can be protected against decline in value, by selling futures against inventory, and when the market drops these futures are bought back or liquidated, again at a profit offsetting the decline in value of the inventory.

A very large amount of tobacco is exported as you know; frequently by the time the tobacco reaches its destination, there has been a sharp decline. The buyer then may dispute the quality of the tobacco, or find some other cause for complaint, all the time his real grievance is the fact that he has contracted to pay for the tobacco considerably more than the then prevailing price. To meet this possible situation, if the exporter had hedged he would have made a profit sufficient to absorb the decline, and to enable him to give his customer the benefit of the drop in price, without, however, himself suffering, because the profit on the hedge would make up substantially the difference between the original quoted price and the declined price at delivery; in addition he has a satisfied customer without cause for complaint who need not now urge wrong quality or poor condition as an excuse.

All foreign buyers do not resort to this subterfuge to avoid a contractual obligation, they take the loss and accept delivery, but how much better it would be if the foreign customer had resources to the hedging facilities of the exchange, for he, too, could insure himself against the price decline by trading in futures as a hedge. I am satisfied that the American exporter would gain the advantage if his foreign buyer avails himself of exchange trading in futures with which he is usually more familiar than his American cousin.

Again a price is often quoted for tobacco not in stock, the dealer relies upon his ability to pick up the necessary amount when needed to fill the order, but alas it also often happens that when the time comes to pick up the tobacco the price has gone up, in this dilemma, if he fills the order, he must pay the increased price and pocket the loss. With the New York Tobacco Exchange functioning, he could take out price insurance by trading in futures in the same manner as indicated for the jobber. Suffice it to say that hedging can be utilized under varying conditions and to cover different positions of the several factors in the tobacco industry and just as effectually as is now done by the grain elevators, millers and others in the grain trade.

Besides the many and obvious advantages of this form of price insurance, there is another and very important feature, that is that the banker looks with favor upon the hedged commodity, for if hedging were not possible through a future market, banks could not safely grant credit to the extent they otherwise would, with the ability to hedge, the collateral can be safeguarded against decline and so with the hedged commodity the banker can and usually grants credit sometimes up to 80 per cent. or 90 per cent. of the value of the wheat or cotton collateral. Inquiry at any bank, I am sure, will sustain this statement.

Trading in futures and commodity exchange have been the subject of thorough investigation and study in the United States and other countries; both the United States Chamber of Commerce and the International Chamber of Commerce at different periods and independent of each other have made an exhaustive investigation and study and both approved and endorsed the commodity exchange and trading in futures.

Just a brief summary of the New York Tobacco Exchange, itself. I have already pointed out that it is a market place, and that beyond that it does not go; it does not itself engage in trading, in fact the laws of New York which granted its charter, expressly prohibit it from making any pecuniary profits. It is purely a membership corporation, neither paying nor declaring dividends or profits. It maintains itself by the dues paid annually by its members. Its officers receive no compensation, except the secretary who is the chief administrative officer. Membership is a personal privilege, limited to two hundred and fifty in number, but open to anyone who can meet the moral and financial requirements, and is elected to membership.

The exchange is your exchange, if you choose to use it. Membership is not necessary to enable one to hedge, or take out price insurance, or to otherwise use its trading facilities; they are open to everyone, members and non-members, but trading must be conducted through a member who charges a very nominal commission for the services he performs and the responsibility he assumes. Of course there are advantages owing from membership. The office of the secretary, which I have the honor of filling, will cheerfully answer any reasonable question regarding trading in futures, the facilities of the exchange or any other proper matter of interest to the tobacco industry.

In conclusion, let me point out and emphasize this fact. The exchange does not intend to, nor will its functions in any wise interfere with your methods of conducting your business, or merchandising tobacco; nor does it intend to interfere with or supplant the present loose leaf auction floor methods. It will if anything augment and aid the present methods of merchandising; it will facilitate and increase trading. What it will do, and what you cannot possibly do without this exchange, is that your risks—may I say gamble?—resulting from price fluctuations can be guarded against by price insurance, which to my mind is just as important to you as is fire insurance.

*The foregoing is the text, in part, of an address delivered at the Thirty-fourth Annual Convention of the Tobacco Association of the United States, by Edward A. Brown, one of the founders and organizers of the association, and secretary of the New York Tobacco Exchange, Inc.*

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## WALTERS ON RETAIL AUTHORITY

Edgar B. Walters, prominent New York importer, has been named administration member of the retail tobacco trade Code Authority, it was announced today. He previously was named to the wholesale tobacco trade Code Authority.

# Cost Protection to Small Tobacconists

NATIONAL Recovery Administrator Hugh S. Johnson on July 12th issued Orders giving cost protection to small tobacconists on an emergency basis by approving a minimum mark-up binding all retail distributors. The Orders will prevent the practice of using cigarettes as "bait," a practice which has practically eliminated small enterprise from tobacco distribution.

The effect of the Orders which became effective Monday, July 16th, will be to permit maintenance of the present normal retail prices for popular brands of cigarettes—10 cents a package for those cigarettes priced by manufacturers at $5 or less per thousand and two packages for 25 cents for other popular grades.

The mark-up basis is 5¼ per cent. on cigarettes of $5 or less per thousand manufacturers list price and 6½ per cent. on other cigarettes, and the Orders were issued in conformity with the recently approved Codes for the Wholesale and Retail Tobacco Trades. The texts of the Orders are attached.

The Retail and Wholesale Tobacco Trades have supported the President's program to increase purchasing power. The retail Tobacco Code, for example, requires minimum wages more than 10 per cent. higher than those in the general Retail Code. It is thought by N. R. A. that every reasonable effort should be made to insure such reasonable standards of competition as will permit the continued payment of these wages. It is also important that in a trade so characterized by small enterprises, a reasonable minimum of income should be insured to the small storekeeper for whom, at the end of the week, such income as may be earned is tantamount to wages.

The remedial provisions, which are embodied in two Orders—one for the Wholesale Tobacco Trade and one for the Retail Tobacco Trade—have been calculated to establish a fair minimum price for the retail sale of cigarettes, which will at the same time not raise existing prices (except for stores which have used cigarettes as "bait"). Minimum wholesale prices are established at a very low level, substantially below the current quotations of wholesalers. These wholesale prices, again, are not established with a view to insuring any wholesaler a profit, but rather to stabilize competition in the Wholesale Tobacco Trade so that there will be less tendency to intensify price cutting in the Retail Trade. In both cases, the margins established are low enough so that no distributor will be deprived of the advantages of his efficiency.

These prices are distinctly of an emergency nature and are to be effective for a period of approximately ninety days. Meanwhile, the N. R. A. Division of Research and Planning has been directed to make a study of their operation so that N. R. A. may be able to decide at the end of the period whether a continuation will be necessary or advisable.

Codes of Fair Competition for the Retail and Wholesale Tobacco Trades were signed on June 9th and 19th. It has long been a matter of common knowledge, because of the use of tobacco products, particularly cigarettes, as "bait" that the tobacco distributing trades composed preponderantly of small storekeepers, have been suffering from severe price competition.

N. R. A. cannot guarantee any form of enterprise a profit. Furthermore, competition with respect to price is considered desirable by this Administration because it is recognized that evolution towards more efficient distribution, with consequent benefits to the producer of raw materials as well as to the consumer, has generally resulted from most competition, including competitive pricing practices. This does not mean, however, that unrestricted price cutting can be permitted.

N. R. A. believes that the situation which has arisen in the tobacco distributing trades goes beyond healthy price competition. It has become the practice of large retail merchants primarily engaged in the distribution of other products, to use cigarettes as "bait" to attract customers, often disposing of them at prices below the cost of these articles to the small independent merchant. This has been possible because of certain merchandising characteristics of cigarettes: they sell for a low price, are widely advertised, are of uniform quality and package, and are almost a daily purchase of the consumer. They are sold in quantities by large retail distributors whose cigarette business is for them only a side-line, at prices substantially lower than the wholesaler can afford to quote to independent retailers. The consequence, particularly during these times of depleted resources for the small merchant, has been to place in jeopardy the livelihood of many thousands of them and their ability to maintain labor standards.

For the foregoing reasons, when the tobacco distributing codes were approved and the Code Authorities, which were promptly established, had requested the declaration of an emergency and the fixing of minimum prices, prompt attention was given by the Administration to a study of the subject with a view to providing such protection as might seem necessary. Studies submitted indicate that the lowest reasonable cost of the wholesale distribution of cigarettes is around 7½ per cent. of the selling price, and of retail distribution, around 20 per cent. They show that, to establish minimum prices so as to insure recovery of these margins by tobacco distributors would in some instances raise prevailing prices of cigarettes as much as two or three cents a package. Therefore, the actual mark-up fixed is substantially less than the lowest reasonable costs indicated. The studies also indicate that an important reason for the present inadequate operating margins is the use of cigarettes as "bait" by unrelated retail trades.

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### LANIER ON WAREHOUSE CODE

J. C. Lanier, of Greenville, N. C., for the last year a marketing specialist in the tobacco section of the Agricultural Adjustment Administration, has been granted a ten-months' leave of absence in order to become administrator for the auction and loose-leaf tobacco warehouse industry code.

Mr. Lanier is a tobacco grower with many years' experience in growing and marketing the crop.

Headquarters for the code authority, which will function this season for the first time, will be in Greenville, N. C. Branches will be maintained in all tobacco belts.

*The Tobacco World*



Cigars are the most pleasurable and economical form of smoking.

# BAYUK BULLETIN

WE DO OUR PART

VOLUME II. AUGUST 1, 1934 NUMBER 14

## PHULOFAX
*(The Retailer's Friend)*
## SAYS

Good thought from S. R. B., a retailer: "I don't sell soft or hard drinks in my cigar store, but I do have a nice ice cooler of Aqua Pura that draws in many a man for a drink—and some cigars."

—o—

It is a very pleasing thing to observe that the tap rooms are handling standard brands of cigars . . . perhaps the "saloon cigars" went out of fashion with the old-time saloons.

—o—

Somehow or other an electric fan in a cigar store makes the store more inviting these hot days.

—o—

B. L. C., a salesman, contributes this: "I work my trade every week. I get a week's vacation. Week prior to my vacation, I get regular orders from my customers, also, get their orders for their anticipated requirements during my vacation week. Before delivery, my House calls up each customer and asks, 'Anything to add to your order going out today?'" A little more than "just something" to this idea, says I.

—o—

Don't ever get a man to merely BUY more of your product unless you have demonstrated to him how he can SELL more of your product.

—o—

O. C. B. tells us that he "doesn't just sell merchandise to his customers." He remarks he "sells merchandise and gives efficient SERVICE." Good for you, O. C. B.

—o—

Of course, each and every one of us is cheerfully imparting all the knowledge we possess as to necessary procedures under the Codes to those who may not have had an opportunity to analyze the Codes.

—o—

Great to see how so many competitive jobbers (manufacturers and retailers, too) greet each other these days with a hearty hand-shake and a sincere smile, as against the old days!

—o—

Nothing in the codes that prohibits a determination to go out and legitimately fight for your share of the business. "Knocking" and under-the-belt competition were never sanctioned under the always existent Code of Fair Play. Right?

—o—

A salesman came into the office of a cigar manufacturer smoking. He didn't get an order. (That's all there is to the story!)

—o—

"Should a salesman wear a hat when he calls upon his customers these hot days?" asks B. W. G. Personally (and we might get knocked off for saying it) we think he should.

*Phil M. Phulofax**

D. B. I.

*Associated with BAYUK CIGARS, INC., Philadelphia—Makers of fine cigars since 1897

## *WHICH BRINGS HOME THE PRIZE?*

Retailing cigars is a lot like yacht racing. In both games success is largely a matter of sails—or *sales.* The spelling depends on whether you stand on a heaving deck or behind a counter. The chap who enters the race in a row boat with a bed sheet rigged up for a sail, hasn't much chance against a cup-defender with her majestic spread of canvas. Neither has the retailer who backs the long-shot, long profit brand against the big popular seller.

## A NEW ANSWER TO AN OLD ALIBI

### *Salesman Zeitlin Meets and Conquers the "Longer Profit" Argument*

The scene is Bridgeport, Conn. The actors are J. D. Zeitlin, cigar salesman, and a retail cigar dealer. There seems to be an argument about something. There is. It's the age-old and bewhiskered debate on the subject of longer profits vs. quicker turnover.

ZEITLIN: Look here, Mr. X, you stock my brand and you get plenty of calls for it. Why don't you display it on top of the case?

DEALER: I'll tell you why. I display the brands that bring me in the most profit.

ZEITLIN: That's why I'm asking you to display my cigar. It's the most profitable brand in your store.

DEALER: You shouldn't run around this hot weather without a hat. It's bad for the brain. See this El Ropo on the case here? It brings me in half again as much profit as your cigar.

ZEITLIN: Say, I'll make you a little bet. You display a box of my cigars and some five-packs next to those El Ropos. If you don't sell *five* boxes of my brand while you're selling one box of El Ropos, I'll buy you the best dinner in town—and your profit on those five boxes will be more than three times what you make on the one box of El Ropos.

Either the dealer wanted the dinner or else he wanted to show friend Zeitlin up. Anyway he did display Zeitlin's brand cheek by jowl with the El Ropos. And the result was just about what Zeitlin had predicted—five sales to one, in favor of his cigar. Needless to say, that dealer is now giving Zeitlin's brand the most prominent display in the shop.

### JOBBER STEPS UP SALES 200,000 IN A MONTH

When Amster-Kirtz, cigar distributors in Cleveland, went over their books at the end of June, they discovered an increase of 200,000 in a single brand of popular cigar. This discovery, while gratifying, was no surprise to them because it came as the result of a carefully planned campaign which had been conducted over the previous thirty-day period.

Early in the month their sales force began a concerted drive on five-packs of this particular cigar. Within a short time 100,000 cigars over the normal average had been distributed and wherever possible, a special five-pack display installed. Before this job was finished, repeat orders had already begun to flow in.

But in their zeal for promoting five-packs the salesmen were not allowed to forget the approach of Father's Day on June 17th. They were provided with display material and succeeded in planting hundreds of Father's Day displays throughout the Cleveland territory, with the result that many dealers reported sales ranging from 10 to 75 boxes—a good proportion of these boxes being Amster-Kirtz's brand.

No sooner was Father's Day past than this energetic sales corps turned their attention to the Fourth of July. Again special displays were provided and again there was a perceptible jump in sales.

A 200,000 increase in volume might well cause any jobber or distributor to congratulate himself on a good month's work. But the effect on the retail trade of this accelerated activity in the brand must have been worth even more.

As reported, there was nothing unusually elaborate about the displays, nothing revolutionary about the sales campaign. Amster-Kirtz merely demonstrated what has been proved time and again. Given a good cigar, good display, a good sales force and a determination to take advantage of seasonal opportunities—and there can be but one result.

**Washington society is in a gale of laughter at the recent sally of Mrs. Alice Longworth, who quipped at a combination dansant, block party and kaffee klatch the other evening: "Mr. Nugent's Phillies are only a ball club, but Mr. Bayuk's are a smoke!"—Philadelphia Record.**

### ANOTHER RECORD

Recently the Bayuk Bulletin reported the case of Adolf Boehler, Philadelphia cigar salesman, who sold 218 separate retail dealers in one week and has been averaging 26 orders a day.

Now there comes the story of a sales force of 16 men, who in one week gathered in 2364 orders or an average of something like 148 orders per week per man. If this aggregation of order rustlers keep up anything like that pace, it won't be long before they hang up a record that will require some beating.

BAYUK BRANDS BUILD BUSINESS

**Bayuk Phillies**
(BAYUK PHILADELPHIA PERFECTO)
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

# All Tobacco Products Down in June

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for June, 1934, are subject to revision until published in the annual report):

| *Products* | —*June*— | |
|---|---|---|
| Cigars (large) | *1934* | *1933* |
| Class A .....No. | 345,039,060 | 357,006,990 |
| Class B .....No. | 4,195,213 | 2,244,474 |
| Class C .....No. | 51,341,970 | 55,323,630 |
| Class D .....No. | 3,598,545 | 3,706,112 |
| Class E .....No. | 280,972 | 289,180 |
| Total..... | 404,455,760 | 418,570,386 |
| Cigars (small).....No. | 19,420,853 | 20,505,080 |
| Cigarettes (large)....No. | 198,471 | 246,243 |
| Cigarettes (small)....No. | 12,045,062,823 | 12,462,969,787 |
| Snuff, manf'd.....lbs. | 2,829,655 | 3,473,552 |
| Tobacco, manf'd.....lbs. | 26,589,861 | 28,884,769 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*June*— | |
|---|---|---|
| Cigars (large) | *1934* | *1933* |
| Class A .....No. | 3,917,040 | 6,148,350 |
| Class B .....No. | 303,500 | 268,000 |
| Class C .....No. | 65,950 | 66,500 |
| Class D .....No. | 1,000 | ..... |
| Total..... | 4,287,490 | 6,482,850 |
| Cigars (small).....No. | 1,000 | 300,000 |
| Cigarettes (large)....No. | ..... | 60,000 |
| Cigarettes (small)....No. | 200,050 | 222,800 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*June*— | |
|---|---|---|
| Cigars large): | *1934* | *1933* |
| Class A .....No. | 17,577,175 | 12,330,740 |
| Class B .....No. | 90,250 | 11,720 |
| Class C .....No. | 3,620 | 12,926 |
| Class D .....No. | 500 | ..... |
| Class E .....No. | 310 | ..... |
| Total..... | 17,671,855 | 12,355,386 |
| Cigarettes (small)....No. | 290,400 | 66,190 |
| Tobacco, manf'd.....lbs. | ..... | 5 |

### Statement of Collections for June

| *Source of Revenue* | *1934* | *1933* |
|---|---|---|
| Cigars ..... | $1,051,372.17 | $1,081,013.15 |
| Cigarettes ..... | 36,137,581.90 | 37,390,946.88 |
| Snuff ..... | 509,337.94 | 625,239.12 |
| Tobacco, chewing and smoking ..... | 4,788,496.90 | 5,199,522.35 |
| Cigarette papers and tubes ..... | 83,060.83 | 66,809.94 |
| Miscellaneous, relating to tobacco ..... | 310.18 | 240.83 |

### June Cigar Withdrawals 1920 to 1932, Inclusive

| | | | |
|---|---|---|---|
| June, 1920.. | 708,112,284 | June, 1926.. | 576,561,866 |
| June, 1921.. | 618,495,102 | June, 1927.. | 576,527,570 |
| June, 1922.. | 615,264,023 | June, 1928.. | 575,995,733 |
| June, 1923.. | 591,514,124 | June, 1929.. | 556,746,375 |
| June, 1924.. | 562,731,556 | June, 1930.. | 519,599,166 |
| June, 1925.. | 569,743,013 | June, 1931.. | 517,513,659 |
| | | June, 1932.. | 400,406,156 |

### Processing Tax Returns

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public, No. 10, Seventy-third Congress) approved May 12, 1933.

| *Commodity* | *Month of June, 1934* | *Total from July 1, 1933 (Fiscal year 1934)* |
|---|---|---|
| Tobacco (tax effective October 1, 1933): | | |
| Processing tax ..... | $2,007,889.29 | $15,873,985.81 |
| Import compensating taxes ..... | 10,299.34 | 155,209.07 |
| Floor tax, other than retail dealers..... | 2,257.62 | 1,814,629.01 |
| Floor tax, retail dealers ..... | 1,372.91 | 244,602.16 |
| Total, tobacco.. | $2,021,819.16 | $18,088,426.05 |

### OPENING DATES FOR FLUE-CURED

The Acting Secretary of Agriculture, M. L. Wilson, after consulting with representatives of the various branches of the tobacco industry, approved the following schedule of opening dates for the flue-cured auction tobacco markets:

The Georgia-Florida Belt markets open on Wednesday, August 1st.

The South Carolina and Border Belt markets will open on Thursday, August 9th.

The East Carolina Belt markets will open on Thursday, August 23d, on a restricted basis. Wilson, Greenville, Rocky Mount and Kinston will open with two sets of buyers, and all other markets will open with one set of buyers.

The Middle Belt markets will open on Tuesday, September 11th, on a restricted basis. All markets will operate with one set of buyers.

The Old Belt markets will open on Tuesday, September 25th.

The Virginia Dark Belt markets will open on Wednesday, November 7th.

### NOTHING "UNDER COVER" HERE

Briarcraft, Inc., New York City, makers of the new "Clearwell" smokers' pipes, have introduced a novel feature in pipe construction. They call it the "Turbulator," which permits a dry, cool smoke, adding to perfect pipe contentment. This device is produced in Transparent Cast Bakelite Resinoid in amber effect. It enables the user to see how the device contributes to smoking enjoyment. The stem is in black and the bowl constructed from Briar wood, which contrasts very effectively with the clear amber center section.



### QUAKERS HEAR HOLLINGSWORTH

Members of the Retail Tobacco Dealers of Philadelphia, Inc., listened to William A. Hollingsworth, president of the national association and chairman of the National Retail Tobacco Code Authority; Jesse Powell, executive secretary of the New York Code Authority; Nelson Eberbach, president of the local branch of the National Association of Tobacco Distributors, George Fringe, secretary of that organization, and other speakers at a meeting in the Hotel Adelphia on July 24.

The benefit of organization, as evidenced by what had already been accomplished for retail tobacconists, was the theme of President Hollingsworth's address. The dealers present evinced great interest in the talk, as was demonstrated by the volley of questions they hurled at its end.

Secretary Powell told in detail how the dealers in his jurisdiction were co-operating particularly in the matter of maintaining a strict watchfulness in the cigarette price regulations now in effect. Wholesalers Eberbach and Fringe, also emphasized the importance and necessity of organization and the benefits to be derived from membership in the local retail association.

Unfortunately unable to attend the meeting because of his absence from the city, A. Jos. Newman, vice-president and sales manager of Bayuk Cigars, Inc., forwarded a message to the meeting, urging retailers to co-operate to their utmost in furthering the self-protection offered by membership in their retail organization.

### CIGARETTE PRICES

By WILLIAM A. HOLLINGSWORTH

President, Retail Tobacco Dealers of America, Inc.

While the manufacturer's list price is uniform for all packings of cigarettes, the same quality of cigarettes can always be sold at the same minimum price, whatever the packing. Therefore, when a given quantity of cigarettes would appear to sell for differing minimum prices in differing packages, the lowest minimum price for the given quantity of cigarettes shall be the minimum price for all packings.

For example, take 100 Murads. If sold in a box holding 100, the minimum price would appear to be $1.44; but since the minimum price of 100 Murads, if sold in ten packages of ten each, would be $1.38, the minimum price of one box of 100 Murads is $1.38 and not $1.44.

Another example: The minimum price of a tin of 50 Lucky Strikes would appear to be 33 cents; but since the minimum price of two and a half packs of twenty each would be 31 cents, the minimum price of a tin of Lucky Strikes is 31 cents, and not 33 cents.

But note that the minimum price of two tins of Lucky Strike 50s would be 62 cents, and not 62 cents less 5 per cent. The 5 per cent. multiple discount has been taken advantage of in reaching the 31-cent minimum, and it cannot be taken advantage of a second time. Four tins of Lucky Strikes will sell for $1.20, instead of $1.22, or four times 33 cents less 8 per cent.; as two hundred cigarettes, when sold by the carton of ten packages of twenty, sell for $1.20.

### TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

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JULIUS LICHTENSTEIN, New York, N. Y. .....Vice-President
WILLIAM BEST, New York, N. Y. .....Chairman Executive Committee
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GEORGE H. HUMMELL, New York, N. Y. .....Vice-President
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WILLIAM T. REED, Richmond, Va. .....Vice-President
HARVEY L. HIRST, Philadelphia, Pa. .....Vice-President
ASA LEMLEIN, New York, N. Y. .....Treasurer
CHARLES DUSHKIND, New York, N. Y. .....Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway New York, N. Y. ....President
CLIFFORD N. DAWSON, Buffalo, N. Y. .....Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. .....Treasurer

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D. EMIL KLEIN, New York City .....Second Vice-President
LEE SAMUELS, New York City .....Secretary-Treasurer

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IRVEN M. MOSS, Trenton, N. J. .....Second Vice-President
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SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. .....Secretary

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

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GEO. B. SCRAMBLING, Cleveland, Ohio .....Treasurer

UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN .....President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. .....Secretary

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

ULTIMATE destruction of the cigar leaf tobacco program of the Agricultural Adjustment Administration was predicted July 23d by state officials and growers appearing before the Committee for Reciprocity Information at its initial hearing on a reciprocal trade agreement with Cuba under the new tariff law. Any opening of the domestic market to Cuban tobacco, it was asserted, would mean the ruin of the industry in this country, and Connecticut growers joined with southern truck farmers in asking for a continuance of the present tariff duties.

The hearings were the first to be held in connection with negotiation of new trade agreements, and though open to those who claimed an interest in the proceedings, no intimation was given by the committee as to what products would be involved when the Cuban agreement is finally consummated. Witnesses admitted they were not sure whether their products were involved and when the hearing closed had received no enlightenment from the committee.

Thomas Walker Page, representing the Tariff Commission and acting as chairman of the committee, said that he had no knowledge himself of the products to be named in the pact, asserting that the committee was appointed by the President solely for the purpose of gathering data on which to base an agreement with Cuba and was not empowered to make recommendations for either raising or lowering tariffs.

He also admitted that there was no way of telling what products would be involved in negotiations with other countries.

The question of tobacco was brought up by Olcutt King, Connecticut commissioner of agriculture, and Howard Whitaker, a Connecticut grower, who cited the efforts which are being made by the Agricultural Adjustment Administration to better the condition of the growers by limiting production so that excessive surplus stocks might be disposed of.

Accumulated stocks admittedly are the cause of the present plight of the domestic growers, Mr. Whitaker declared, but "now the Republic of Cuba, reported to have an overproduction of tobacco, proposes to cure our overproduction by pouring more tobacco onto our already distressed tobacco markets in the thin hope that Cuban tobacco will increase cigar consumption.

"On the contrary," he asserted, "such a procedure may easily reduce cigar consumption due to the inevitable low quality of that part of the crop which under present duty is kept out of the country and which would come into this country under a reduction of the tariff on Cuban tobacco."

A NEW approach to the problem of complaints against codes is being sought by the National Recovery Administration through the creation of an Industrial Appeals Board to hear and pass upon charges of discrimination against small businesses. Headed by Amos J. Peaslee, of New York, former chief of the administration's compliance division, with John S. Clement, of Philadelphia, president of the Sandura Company, floor covering manufacturers, and Monsignor John A. Ryan, professor of social ethics at Catholic University, Washington, as the other members, the board is to consider specific charges against code provisions or orders of code authorities which may be felt to be onerous.

There will be no general dissection of codes such as were conducted by the National Recovery Review Board headed by Clarence Darrow, which passed out of existence July 1st, it was emphasized.



SELLING below cost, the giving of bonuses, rebates or unearned discounts, bribery, defamation of a competitor, failing to report prices, discrimination between customers, misrepresentation, interference with contractual relations of competitors and cutting prices below established lists are, in the order named, the most important unfair trade practices which industry is seeking to ban, it is indicated by a study of codes just completed by the business advisory and planning council of the Department of Commerce.

Each of these practices is prohibited in more than half of the codes in which trading provisions are incorporated, it is disclosed by a report of the council, which is seeking plans for securing effective compliance with the unfair trade practice provisions of industrial agreements.

As a result of the studies of the council it is anticipated that steps will be taken to co-ordinate the trading provisions of the various industries, so that there may be developed some sort of standard list supported by precedents to be followed by code authorities in dealing with violations.

A survey of the first 200 codes approved disclosed exactly 100 trade practices which one or more industries sought to prohibit. More than sixty of these provisions could be abandoned, it was found, being included in less than a dozen of the codes, and the list could be reduced to approximately twenty practices which were mentioned in fifty or more codes, if extreme simplicity was sought, thus making it easier for administrative agencies to enforce them.

NBC
RED NETWORK
9:30-10 P. M., E. S. T.
New York ..... WEAF
Hartford ..... WTIC
Providence ..... WJAR
Worcester ..... WTAG
Portland ..... WCSH
Philadelphia ..... WFI-WLIT
Baltimore ..... WFBR
Washington ..... WRC
Schenectady ..... WGY
Buffalo ..... WBEN
Pittsburgh ..... WCAE
Cleveland ..... WTAM
Detroit ..... WWJ
Cincinnati ..... WSAI
8:30-9 P. M., C. S. T.
Chicago ..... WMAQ
St. Louis ..... KSD
Des Moines ..... WOC-WHO
Omaha ..... WOW
Kansas City ..... WDAF

# Total Cigars Up 290 Millions in Fiscal Year

| | *Fiscal Year Ending June 30, 1934* | | *— Decrease + Increase Quantity* |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| United States .... | 3,815,606,340 | + | 296,475,285 |
| Puerto Rico ..... | 57,564,370 | — | 1,144,860 |
| Philippine Islands | 233,201,840 | + | 73,527,360 |
| Total..... | 4,106,372,550 | + | 368,857,785 |
| Class B— | | | |
| United States .... | 38,745,585 | + | 1,023,722 |
| Puerto Rico ..... | 2,781,100 | + | 1,735,550 |
| Philippine Islands | 308,491 | — | 237,845 |
| Total..... | 41,835,176 | + | 2,521,427 |
| Class C— | | | |
| United States .... | 577,043,390 | — | 75,004,114 |
| Puerto Rico ..... | 956,130 | — | 78,950 |
| Philippine Islands | 231,538 | — | 14,640 |
| Total..... | 578,231,058 | — | 75,097,704 |
| Class D— | | | |
| United States .... | 43,750,434 | — | 5,026,690 |
| Puerto Rico ..... | 2,000 | + | 500 |
| Philippine Islands | 2,700 | + | 624 |
| Total..... | 43,755,134 | — | 5,025,566 |
| Class E— | | | |
| United States .... | 4,918,437 | — | 679,423 |
| Puerto Rico ..... | ..... | | ..... |
| Philippine Islands | 3,286 | — | 23,637 |
| Total..... | 4,921,723 | — | 703,060 |
| Total All Classes— | | | |
| United States .... | 4,480,064,186 | + | 216,788,780 |
| Puerto Rico ..... | 61,303,600 | + | 512,240 |
| Philippine Islands | 233,747,855 | + | 73,251,862 |
| Grand Total.. | 4,775,115,641 | + | 290,552,882 |
| Little Cigars: | | | |
| United States .... | 230,690,840 | — | 803,587 |
| Puerto Rico ..... | 2,721,000 | — | 1,683,000 |
| Philippine Islands | ..... | | ..... |
| Total..... | 233,411,840 | — | 2,486,587 |
| Cigarettes: | | | |
| United States.... | 116,551,094,882 | + | 7,153,526,036 |
| Puerto Rico ..... | 4,349,850 | + | 1,661,910 |
| Philippine Islands | 1,974,250 | + | 412,790 |
| Total..... | 116,557,418,982 | + | 7,155,600,736 |
| Large Cigarettes: | | | |
| United States .... | 88,534,788 | + | 85,648,117 |
| Puerto Rico ..... | 855,000 | + | 355,000 |
| Philippine Islands | 6,400 | — | 5,591 |
| Total..... | 89,396,188 | + | 85,997,526 |
| Snuff (lbs.): | | | |
| All U. S. ..... | 37,711,564 | + | 2,128,232 |
| Tobacco Mfd. (lbs.): | | | |
| United States .... | 307,195,873 | — | 644,732 |
| Philippine Islands | 86 | — | 159 |
| Total..... | 307,195,959 | — | 644,891 |

**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

.....

**Name**.....

**Street No.**.....

**P. O.**..... **State**.....

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Manufactured by **A. SANTAELLA & CO.**

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**CIGAR FLAVORS**

**Make tobacco mellow and smooth in character and impart a most palatable flavor**

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

**Write for List of Flavors for Special Brands**

**BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS**

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c) payable strictly in advance.

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CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

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I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

### FOR RENT

30,000 SQUARE FEET DAY-LIGHTED FLOOR SPACE IN A 3-story and concreted basement building adjacent to P. R. R. freight station in York, Pa. Building of sufficient strength to accommodate at least 50 cigar-making machines per floor. See A. Kauffman & Bro., York, Pa., for inspection and details.

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**BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.**

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

**Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.**

**Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.**

### NEW REGISTRATIONS

**STOCO:—46,345.** For all tobacco products. Scranton Tobacco Co., Inc., Scranton, Pa., July 12, 1934.

**TANG:—46,346.** For cigars. Consolidated Litho. Corp., Brooklyn, N. Y., July 9, 1934.

### TRANSFERRED REGISTRATIONS

**MUNGO PARK:—28,937** (U. S. Tobacco Journal). For cigars, cigarettes and cheroots. Registered May 21, 1904, by Grommes & Kennedy, Chicago, Ill. Through mesne transfers acquired by the Odin Cigar Co., Detroit, Mich., and re-transferred to the Masterpiece Cigar Co., Grand Rapids, Mich., June 11, 1934.

**LADINA:—30,917** (U. S. Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered November 13, 1905, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by the Odin Cigar Co., Detroit, Mich., and re-transferred to the Masterpiece Cigar Co., Grand Rapids, Mich., June 11, 1934.

**DONNA TAMPA:—37,780** (United Registration Bureau). For cigars, cigarettes, cheroots and tobacco. Registered October 14, 1912, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the registrants, to Thompson & Co., Tampa, Fla., July 18, 1934.

### EXPLAINS TOBACCO PROGRAM

Secretary of Agriculture Henry A. Wallace, on July 31st, outlined briefly the effect nationalistic policies in foreign countries have had on domestic fire-cured tobacco and explained the manner in which the Agricultural Adjustment Act has helped to liquidate the surplus of this type of tobacco and keep its production nearer the level of consumption while other governmental activities are working to rebuild the nation's seriously depleted foreign trade.

"Fire-cured tobacco formerly was consumed in large quantities in foreign countries" the Secretary told a group of Hopkinsville, Ky., farmers and business men, "but foreign consumption has drastically declined in recent years. Exports of fire-cured types have declined from around 200 million pounds in 1923 to below 100 million pounds during the last several years. The production of competing types of tobacco has been increased in many foreign countries, and in some instances the consumption of the particular products in which fire-cured tobacco is used has declined.

Factory representatives of the Medalist factory and Antonio y Cleopatra factories were active in Atlantic City last week promoting the sale of these brands with marked success. Additional distribution was obtained, which of course resulted in increased sales to the consumer, and several of the new accounts have repeated, which is very encouraging.

AUGUST 15, 1934

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VOLUME 54 No. 16

# THE TOBACCO WORLD

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Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

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Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol. 54 AUGUST 15, 1934 No. 16


SUGGESTIONS on a revision of cigarette taxation, made by John B. Hutson, chief of the A. A. A. Tobacco Section, as printed in full in this issue, may be summarized in the three following recommendations: "Three dollars per thousand on cigarettes with a net wholesale price of more than $4.25 per thousand. Cigarettes selling at retail at two packages of twenty for twenty-five cents and more would fall into this class.

"Two dollars per thousand on cigarettes with a net wholesale price of more than $3 per thousand and not more than $4.25 per thousand. Cigarettes selling at retail at ten cents per package of twenty would fall in this class. The bulk of the sales would probably come in this group.

"One dollar and forty cents per thousand on cigarettes with a net wholesale price of not more than $3 per thousand, provided they are sold in packages of fifteen cigarettes each. Cigarettes selling at retail at five cents per package of fifteen would fall in this class."

GOING on to explain his suggestions, Chief Hutson says: "The $3 rate for cigarettes selling to retail for more than ten cents per package is left in order to insure that the manufacturers of standard cigarettes will move their cigarettes into the ten-cent price class and keep them in that price class. The $2 rate suggested would enable the manufacturers of the standard cigarettes to sell their product at a price that would permit a package of twenty to retail for ten cents. It is expected that the bulk of consumers using cigarettes which now sell at ten cents per package of twenty and at two packages for twenty-five cents would turn to this class of cigarettes. The rate of $1.40 per thousand is suggested in order to encourage the introduction of cigarettes selling at five cents per package of fifteen. It is expected that a considerable proportion of the present users of granulated tobacco and hand-made cigarettes would turn to the five-cent cigarettes. It has been estimated that between twenty-five and thirty billion hand-made cigarettes were consumed in 1933. When consumers turn from hand-made cigarettes, they consume more and this would be reflected in a larger consumption of leaf tobacco."

In other words, Mr. Hutson would retain the $3 tax so that the manufacturers now paying that tax would be prompted to move into the lower price bracket to enjoy the $2 tax. The inevitable result would be that, as far as volume sales are concerned, there would be two classes of cigarettes on the market, namely, those selling at ten cents for a package of twenty and those selling at five cents for a package of fifteen.

It is highly conjectural whether this would be a better solution of the situation as regards the co-ordinated interests of retailer, wholesaler, manufacturer, grower and the Government, than would be the flat 40 per cent. reduction in all tobacco taxes embodied in the industry's recent petition to Congress.

Nobody knows how many hand-made, or "roll your own," cigarettes are smoked. As a fact, Chief Hutson's estimate of between twenty-five and thirty billion is greatly below that of others who have attempted to determine their number. And just as he may be in error as regards the quantity of these hand-made cigarettes consumed, so he may be wrong in assuming that all who roll their own do so because of the price of the manufactured cigarettes. Tom Daly, for instance, waxed highly indignant in his column in the Philadelphia *Evening Bulletin*, over the Hutson imputation that he made his own smokes because he couldn't afford the boughten kind. Tom declared that he had been rolling his own cigarettes for twenty years because he liked them better.

THE ATTENTION of retail tobacco dealers who are not members of the Retail Tobacco Dealers of America, Inc., or associations affiliated with it, is called to the full page announcement directed to them in this issue regarding the Notice of Nomination to the National Code Authority. You are entitled to elect one member. The Code provides for a Code Authority consisting of not more than ten members. Of these, two members shall be designated by the respective Code Authorities of the retail food and the retail drug trades; one shall be appointed by the Consumers Advisory Board of the National Recovery Administration; six shall be designated by the Retail Tobacco Dealers of America, Inc., one to represent a national chain of tobacco stores and five to represent other tobacco retailers; and one member shall be representative of and selected by the non-members of the Retail Tobacco Dealers of America, Inc., or non-members of any of its affiliated associations.

In order for ballots to be counted, it must be filled out and returned not later than August 20, 1934, to the National Code Authority for the Retail Tobacco Trade, 726 Jackson Place, N. W., Washington, D. C.

This is intended primarily, of course, for retail tobacconists in whose territories no local association affiliated with the national organization now exists. The perfect outcome of this balloting would be the arousing of activities for the establishment of such local associations where at all possible. And an outcome just as desirable would be the enlisting of present non-members into such associations where they do exist.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Tobacco Exports' Big Gain in 1934

A REVIEW of the tobacco export trade of the United States by the Tobacco Division, Department of Commerce, based on preliminary data, shows that the total foreign tobacco trade of the United States during the first six months of 1934 amounted in value to $45,336,350, an increase in value of 65.7 per cent. over the like period of 1933, an increase of 46.3 per cent. over the like period of 1932, and within 29.3 per cent. of the total foreign tobacco trade of the first six months of 1929.

Exports of all types of leaf tobacco during the first six months of 1934 ran ahead of the first six months of 1933 in volume by over 23 per cent., those of the like period of 1932 by nearly 15.5 per cent., and were only 8.3 per cent. under those of the first six months of 1929. The volume of leaf tobacco exported during the 1934 six months was 207,271,928 pounds, the 1933 period 168,411,377 pounds, the 1932 period 179,594,546 pounds, and that of the 1929 period 226,095,946 pounds.

Exports of manufactured tobacco products during the first six months of 1934 increased in volume and value over those of the like period of 1933. Cigarettes increased nearly 55.5 per cent., chewing tobacco over 6 per cent., smoking tobacco approximately 35 per cent., and other products 17 per cent. Total shipments during the 1934 period amounted to 1,652,631,000 cigarettes, 845,700 pounds of chewing tobacco, 531,343 pounds of smoking tobacco, and 79,451 pounds of other products. The total value of manufactured tobacco products exported during the 1934 period was $4,016,786 as against the 1933 period value of $3,117,949. The increase in value was approximately 28.8 per cent.

The return to American leaf tobacco shippers during the first six months of 1934 amounted to $41,319,564, an increase of 70 per cent. in income over the income from leaf business during the first six months of 1933, approximately 51 per cent. over the same period of 1932, and approximately 22 per cent. under the value of leaf shipments during the first six months of 1929.

The price average obtained for all leaf tobacco shipped out of the country during the first six months of 1929 was $23.34 per 100 pounds, that of the 1932 period $15.21, the 1933 period $14.39, and that of the 1934 period $19.93. The 1930 average price was $21.18 and that of 1931 was $19.07 during the first six months of these years. In the 1934 period slight increases in values obtained per hundred pounds are shown in Burley, dark-fired Kentucky-Tennessee, dark Virginia and black fats. Decreases are shown in Maryland and Ohio export, one sucker, perique and stems, trimmings and scraps.

Bright flue-cured tobacco accounts for the most part for the increase in volume and the increase in value when comparing 1934 with 1933. During the first six months of 1934 total exports of bright flue-cured tobacco amounted to 136,063,171 pounds, or 66 per cent. in volume of all types of tobacco exported. The increase in volume of bright flue-cured exports over the 1933 period, when 103,778,518 pounds were exported, amounted to 32,284,653 pounds, an increase of 31 per cent. During the 1933 period bright flue-cured tobacco accounted for approximately 63 per cent. of all leaf tobacco exported. The average value return for bright flue-cured tobacco during the 1934 period was $24.60 per 100 pounds, compared with $16.88 during the 1933 period and $20.34 during the like period of 1932. The return per 100 pounds during the first six months of 1929 was $26.82 per 100 pounds.

The dark tobaccos accounted for 22.5 per cent. of total exports of leaf during the first six months of 1934, compared with 28 per cent. of the total during the 1933 period. In volume there was a slight difference in favor of 1933, shipments in that year amounting to 47,063,392 pounds as against 46,554,426 in the 1934 period. Dark-fired Kentucky-Tennessee decreased slightly in volume but increased slightly in average value and total return. The 1933 period average was $9.79 per 100 for 35,775,568 pounds, while that of the 1934 period was $10.18 per 100 for 35,058,896 pounds. Dark Virginia exports increased during the first six months of 1934 and totaled 5,642,478 pounds, which averaged $16.30 per 100 as compared with 5,206,513 pounds at $15.38 per 100 during the like period of 1933.

Maryland tobacco exports during the first six months of 1934 increased 1,337,355 pounds, or 46.4 per cent. over the like period of 1933, and totaled 4,219,431 pounds. The return, however, was $2.91 per hundred pounds less than the 1933 period average when shipments totaled $19.14 per 100 pounds. Total shipments of Burley during the 1934 period amounted to 7,140,731 pounds at an average per hundred of $12.66 compared with 5,200,432 pounds in the 1933 period at an average of $12.27 per 100 pounds.

Exports of stems, trimmings and scraps during the first six months of 1934 increased nearly 44 per cent. to a total of 12,725,569 pounds as against the 1933 period total of 8,841,245 pounds. The average per 100 pounds in the 1934 period was $3.80 and that of the 1933 period $3.84. These shipments constituted 6.14 per cent. of total shipments during the 1934 period and 5.25 per cent. of total shipments during the like period of 1933.

### Belgian Tobacco Market

The leaf tobacco market in Belgium during the second quarter of 1934, as reported in trade circles, was fairly good, the demand for American tobacco having been satisfactory. American Consul William H. Beach, in a report made public by the Tobacco Division, Department of Commerce, states that the upward tendency of prices in the United States, however, restricted transactions to some extent.

Contrary to expectations, fairly large quantities of new crop Burley were sold during the quarter. This situation is due to the fact that the tobacco was found to be of good quality and burns well. A fair amount of Burley was shipped in transit through Antwerp to Switzerland. Small quantities of bright Virginia have been sold in Belgium and the demand at present is poor, notwithstanding the fact that the crop is expected to be much higher in prices than the 1933 crop. During the quarter business in Maryland has been practically nil, owing to lack of offers from the United States. At present a strong demand prevails for medium to good quality tobacco.

Since dark-fired eastern and western (Kentucky and Tennessee) tobacco has not as yet gone through the sweat and no offers are being received from the

*(Continued on Page 17)*



# How Kerr-Smith Act Operates

THE Kerr-Smith Tobacco Act was passed toward the close of the last session of Congress and approved by the President on June 28. It provides for a tax of 33 1-3 per cent. of the market price of the tobacco, unless the Secretary of Agriculture determines that a lower rate would best effectuate the declared policy of the Act, in which case the rate may be reduced to 25 per cent. The rate of tax for the current year is 25 per cent. of the market price of tobacco sold. It applies to all important types of tobacco grown in 1934, except cigar-leaf, Maryland, and Virginia sun-cured tobacco. This tax will be collected at the time settlement for the sale is made. In the case of sales made through an auction warehouse or direct to dealers or manufacturers, the amount of the tax will be deducted from the purchase price. In the case of other sales, such as mail order sales, the grower is required to file a return to the Bureau of Internal Revenue.

Tax-payment warrants, which may be used in payment of the tax, will be issued to all contracting growers covering the amount of tobacco which they are allowed to sell under contract. It is not necessary for contracting growers to make applications for these warrants. The Act provides that additional tax-payment warrants may be issued to a limited number of non-contracting growers. Warrants cannot be issued to non-contracting growers in any county covering an amount of tobacco greater than 6 per cent. of the amount covered by warrants issued to contracting growers. Applications to be used by non-contracting growers are available in all county agent's offices.

Allotments can be made only to those non-contracting growers who could not obtain an equitable base under the contract, and two-thirds of the quantity allotted to non-contracting growers must be in amounts of 1500 pounds or less. The latter provision was included in order to insure fair treatment to small growers. The applications for tax-payment warrants will be passed upon by local and county tobacco committeemen. It is our hope that tobacco committeemen will be reasonable in interpreting the provisions and rulings with respect to the Tobacco Act in so far as is possible, and will make allotments to all those growers who could not obtain an equitable base under a contract.

At the very beginning of the tobacco program, it was clearly evident that production must be promptly reduced, if the growers' condition was to be improved. In the past, when some growers have reduced their production, other growers have "signaled full speed ahead" and have doubled their production. They have taken advantage of the co-operative undertaking in the hope of securing an advantage over their neighbor.

This practice of the outsider "riding free" while the co-operator pays the bill has been the greatest stumbling block in the way of co-operative action in the past. In developing the tobacco program we were determined that the co-operator should fare better than the non-co-operator. This is why rental and adjustment payments were provided to pay those farmers who made higher prices possible.

The improvement in tobacco prices as a result of the success of the first year's efforts, brought new dangers along with the benefits. Co-operative growers became alarmed. They remembered the history of past co-operative undertakings. They were too much in earnest to risk any chance of destroying the tobacco program by the outsider, who might increase his acreage or the new grower, who might spread the territory, because of higher prices resulting from the concerted action of co-operating growers. They appeared determined to see to it that the benefits of the program went in the fullest measure to the co-operators and that the insider continued to fare better than the outsider.

The Kerr-Smith Tobacco Act was the answer to a vast number of requests for additional protection from tobacco growers, who were co-operating in the adjustment program. As prices rose, they felt that in order to hold the ground already gained, and for the good of the industry, co-operators should be assured of receiving larger returns than non-co-operators. Those favoring the Kerr-Smith Tobacco Act contended that the 25 per cent. tax was not an injustice to the non-co-operator. They pointed out that they were not being prevented from growing tobacco. They could grow their normal acreage or increase it if they desired. Since the program had increased prices more than 25 per cent. they would not be hurt. Proponents of the Act reasoned that non-contracting growers would receive as much for their tobacco after paying the tax as they would without the tax had no tobacco program been put into operation.

# Corn Cob Pipe Code Approved

A CODE of fair competition for corn cob pipe makers has been approved by the NRA, to become effective August 19. The Administration is not convinced, however, that the minimum wage rates in the Code are just what they should be; and in the order of approval, it was provided that a further study of these rates should be made and a report filed with the Administrator within sixty days from the Code's effective date, for the purpose of determining the advisability of increasing them.

The minimum wages established by the Code are 27½ cents an hour for males and 22½ cents for females. In his letter to the President, informing him that the Code had been approved, the Administrator said that "while this wage appears to be low, it is pointed out that, when compared with the wages paid prior to this Code, which were 19 cents per hour for males and 13.8 cents for females, the wages under this code represent a substantial increase to the employees."

Provision is made for a 40-hour maximum week, with the exception of one period, not to exceed four weeks, in each six months, during which time employees may be permitted to work forty-eight hours per week provided they are paid at least time-and-a-half for all hours in excess of eight hours a day and forty hours a week.

In 1929 and 1930, employees in this industry were worked fifty-one hours a week.

The Code Authority will consist of three members selected by the industry. Three Administration members, without vote, may also be appointed.

# PHILADELPHIA.

### JOBBERS VISIT G. H. P.

RECENT visitors at the G. H. P. plant, all of them interested in the distribution and sales of El Producto and La Azora, and all entertained by D. A. Jenks, assistant sales manager, were: John Schulick, president of Schulick-Taylor Co., Wheeling, W. Va.; Phil Kurman and Ben Burman, of D. Kurman Co., Milwaukee, Wis., on their way back home via Detroit after a trip to New York; Al Lehmann, president of Kearney-Lehmann, Buffalo, on a two-days' visit; and "Goldie" Goldberg, manager of the Max Snyder Cut Rate Drug Stores in St. Paul, Minn., who stopped in with Mrs. Goldberg on their way to the shore.

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### BAYUK BREVITIES

DAVE MITTLEMAN, salesman for Amster Kirtz Cigar Co., Cleveland distributor, spending his vacation in the East with Mrs. Mittleman, visited the Bayuk plant and was amazed by what he saw. Dave is doing a yeoman's share in the job of keeping Phillies to the forefront in the Cleveland territory . . . Houtz Tobacco Co., Sunbury, Pa., is setting a fast stride on Phillies and reports a big demand in that sector . . . In the Norfolk, Va., territory, the Old Dominion Tobacco Co. is meeting with such great success that it is constantly increasing its standing order requirements with the factory . . . Myers-Cox Co., of Dubuque, Iowa, has been added to the list of Bayuk distributors, is making a very auspicious start, and members of the organization are all keyed up to corral the potential business which the merit of the product justifies.

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Mr. John Wagner, of John Wagner & Sons, is spending some time in Maine, where he is enjoying the splendid fishing afforded in that section of the country. He expects to return the latter part of August.

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John Pappero, popular member of the staff of Yahn & McDonnell, journeyed to Barnegat Bay a few days ago with fellow members of the trade and returned home with the first fish, the smallest fish and the largest fish. John's largest fish was a five-pound weakfish, which was also about the last fish caught.

## Trade Notes

The Monticello cigar, cigarette and smoking tobacco, which is controlled by John Wagner & Sons, is making great gains in popularity, as well as their Wagner No. 3 brand of smoking tobacco.

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Mr. Alvaro Garcia, of Garcia y Vega, was in town last week visiting the distributor of his brand. The Garcia y Vega has been showing a splendid increase in sales in this territory during 1934.

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The Wagner brand of fine cigars has been experiencing an unusually heavy increase in demand during the past two weeks, according to Mr. White, who has just returned to his desk after an absence of two weeks on account of a tonsil operation, and he was greatly pleased with the progress the brand is making.

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William A. Anderson, sales representative for the cigar department of the American Tobacco Company, is doing a good job in Philadelphia territory, through Yahn & McDonnell, local distributor of Antonio y Cleopatra, Henry Clay, Corona and Bock. All these brands are showing splendid activity, and the new size of Antonio y Cleopatra with the punctured head is meeting with a particularly good demand.

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The Royalist factory, south Second Street, reports business running along in good shape and increasing steadily. In addition to the south Second Street factory, they are also operating a branch factory in Perth Amboy, which is assisting materially in helping keep the demand for the Royalist brand supplied satisfactorily.

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George Stocking, of Arango y Arango fame, was in town on Friday visiting the local distributor of their brand, the Don Sebastian, distributed by John Wagner & Sons. I. B. White, manager of the cigar department, states that the Don Sebastian is gaining new friends every day in this territory, and the new sizes recently added to this line are meeting with an exceptionally fine demand.

**IT TAKES A MAN** like "Bill" Horn, who won the Gold Cup in 1932, to wind a big racing hydroplane up to 3000 r. p. m. and hold her to a speed of 60 to 70 miles per hour... for mile after mile. And when he's tired Camels quickly increase his vim and energy.

# YOU'LL LIKE this delightful way of "turning on" your flow of energy

*Experience of Camel Smokers confirmed by Science*

A famous New York research laboratory reveals that smoking a Camel produces a definite increase in your flow of natural energy. The effect is delightful, completely natural.

Many smokers have learned of this "energizing effect" in Camels for themselves. "Bill" Horn, winner of the gruelling Gold Cup race, refers to his experience in these words:

"The man who drives a Gold Cup winner needs the last ounce of energy he's got. After a championship race I 'break out' my pack of Camels quickly, believe me! In no time at all I get a 'lift' and everything is all serene! It's a swell feeling—just to smoke a Camel and be your real self again! That's what I do whenever I feel played out, and Camels *never get on my nerves.*"

Try this pleasant and convenient way of ironing out fatigue and increasing vibrant energy. Turn to Camels and learn the truth of the saying, "Get a lift with a Camel." Like to smoke steadily? Smoke as much as you wish! Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand. They do not get on the nerves.

**CAMELS Costlier Tobaccos never get on your Nerves**

● **Camels are made from finer, MORE EXPENSIVE TOBACCOS —Turkish and Domestic—than any other popular brand.**

## "Get a LIFT with a Camel!"

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# Expanding Domestic and Foreign Markets for Tobacco

**By J. B. HUTSON**

A YEAR AGO, as the tobacco markets opened, a distressing emergency faced tobacco growers. Considering all types, the two previous crops had averaged only 9 cents per pound. The 1931 and 1932 crops of flue-cured tobacco averaged only 9.5 cents per pound and as the 1933 marketing season advanced, it appeared that the experience of the two previous years was to be repeated.

Such a price, for three successive years, could mean nothing short of bankruptcy and ruin for thousands of growers who are dependent on their tobacco crop for their major source of income. The situation was desperate. Something had to be done quickly. Increased prices for the crop then going to market was a necessity. There was no time for delay or to consider all the angles of a comprehensive long-time program. It was essential to put into immediate operation a plan that would correct the most obvious evil and bring rapid relief. A surplus of 900 million pounds of tobacco of all types, in excess of normal supplies, was hanging over the market as the most important price depressing influence of the moment. The first problem seemed to be one of reducing as rapidly as possible the total supply of tobacco to normal needs.

Tobacco growers pledged their wholehearted support to the Agricultural Adjustment Administration in a program to correct this over-supply situation. A program was worked out with the assistance of tobacco growers, whereby the 1934 crop would be curtailed through voluntary agreements, in the form of contracts between individual growers and the Secretary of Agriculture. Processing taxes were levied on tobacco as it was manufactured, to raise money with which to pay co-operating growers for reducing acreage and adjusting the production of tobacco to market requirements.

The majority of tobacco growers joined in the program in a remarkably prompt way. Over 90 per cent. of all tobacco growers signed contracts to reduce the 1934 crop to one billion pounds of tobacco. This figure was as much below annual consumption as the 1933 crop was above annual consumption. It is gratifying now as the 1934 markets open to see how well tobacco farmers have kept their promise and have fulfilled their pledge.

As a result of this splendid response from tobacco farmers, it was possible to negotiate marketing agreements with the manufacturers, under which they agreed to pay higher prices for the 1933 crop. The Agricultural Adjustment Administration was enabled to capitalize on the promised reduction for the 1934 crop in terms of higher prices for the 1933 crop which was then going to market.

It is estimated that the tobacco program increased the market receipts of the 1933 crop by approximately fifty million dollars. Growers received 179 million dollars for the 1933 crop from sales on the market. In addition, farmers are receiving during the current marketing year approximately twenty-eight million dollars in rental and benefit payments, making a total of 207 million dollars. This is close to what tobacco growers received for their 1930 crop and is only slightly below the average for the last ten years. Surely, your co-operative efforts have been tremendously worth while when you look back to a 107 million dollar total tobacco income for the 1932 crop. Flue-cured tobacco growers received considerably more income for their 1933 crop than they had received for the two previous crops combined.

During the past year, tobacco growers have demonstrated that they can control production. They have proved that they are willing to join together with their neighbors in producing the quantity of tobacco for which there is a demand. They have shown that they are willing to make such adjustments in their plans as were necessary to meet changing conditions. We can definitely say that tobacco growers will work together in solving the production phase of their problem.

This brief recital of the past year's co-operative undertaking is the tobacco grower's answer to the cry of distress and the appeal for immediate action to increase the income of tobacco growers for the 1933 crop which they had already produced and which was ready to go on the market.

Adjusting production to market needs is only one phase of the problem. Another phase, that of increasing consumption both at home and abroad, is one to which we have given a great deal of attention during the past year and one to which all of us should give more attention during the period just ahead. It is this part of the problem that I want to talk with you about today.

There is the problem of increasing domestic consumption. In recent years domestic consumption has been hindered by two important causes. First, tobacco in the United States, as well as in most other countries, is an important source of government revenues, and to that extent, prices of tobacco products have been advanced. This has tended to restrict consumption. Second, the organization of the industry in this country is such that manufacturers have been able to take a larger and larger proportion of the consumer's tobacco dollar. This, too, has had an influence toward restricting consumption. It is probable that there is a relationship between these two aspects of the problem. The tobacco tax system may be such that it encourages monopolistic tendencies in the industry, which, in turn, make possible wide margins of profit for manufacturers, which, in turn, make for reduced consumption.

The tobacco tax question has been a "live issue" in the minds of tobacco farmers in some regions during the past few months. It is to your advantage to see to it that any plan for reducing tobacco taxes be conceived wisely and that it be drawn so as to result in a maximum increase in consumption. Your best interest demands that you help develop any tax reduction program in the same intelligent and co-operative

Sunshine—

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makes everything taste better
*—does something good for tobaccos too . . .*

There is Sunshine in your Chesterfield—plenty of it—the Sunshine Chesterfield tobaccos get from our own Southland, the best tobacco country in the world.

Even the bright golden color of these tobaccos tells you they're milder and taste better—they're full of the pure natural goodness the sun puts into them.

*Blend them* with the right kinds of Turkish and you have Chesterfield. They Satisfy.

*May we ask you to try them—*

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manner as you handled your adjustment program, so that the rights of tobacco growers will be fully protected and that a permanent and stable improvement in the income of tobacco growers will be brought about. This is the great and only concern of the tobacco administration in our efforts to assist you in attacking your problem through a comprehensive and long-time plan.

An attempt was made during the last session of Congress to obtain a reduction in tobacco taxes. The two following proposals were widely discussed:

(1) A proposal by the manufacturers of so-called 10-cent cigarettes whereby a reduction of 10 per cent. would be made in the tax rate applicable to 10-cent cigarettes—a reduction from $3 to $2.70 per thousand cigarettes.

(2) A proposal by the manufacturers of standard cigarettes whereby a reduction of 40 per cent. would be made in the tax rates applicable to all tobacco products. Under this proposal, the tax on cigarettes would be reduced from $3 per thousand to $1.80 per thousand, the tax on manufactured tobacco and snuff would be reduced from 18 cents per pound to 10.8 cents per pound, and the tax rate on cigars would be reduced correspondingly.

It appears that each group of manufacturers, in effect, is asking for such a reduction in tax as will enable them to sell cigarettes at 10 cents per package with a desired margin of profit. The plan of the manufacturers of the standard brands probably would result in the bulk of the cigarettes selling at 10 cents per package, with some sales at two packages for 15 cents. The plan of the manufacturers at 10 cents cigarettes probably would result in most of the cigarettes selling at two-for-25 cents, but with considerable numbers selling at 10 cents per package.

The arguments presented in behalf of the 10 per cent. reduction made by manufacturers of 10-cent cigarettes were based primarily upon the principle of a "graduated" tax according to the value of the product. Those favorable maintained that the existence of the 10-cent cigarette has created a desirable competitive situation in the industry; that tobacco growers have been provided with a larger market outlet for tobacco and have received higher average prices for their tobacco, and that cigarette consumers have paid lower prices for their tobacco. They pointed out that the 10-cent cigarette bears a heavier burden of tax in proportion to selling price than does the standard cigarette, and that the present tax represents 60 per cent. of the retail price of the 10-cent cigarettes compared with 48 per cent. of the retail price of standard cigarettes. It was maintained that even with the reduction requested the 10-cent cigarette would still be taxed at the rate of 54 per cent. of its retail price.

The arguments presented in behalf of the "horizontal" tax reduction advanced by manufacturers of standard cigarettes are that a graduated reduction would, in reality, be a "subsidy" on lower-priced products; that a tax reduction so small as that requested by the manufacturers of 10-cent cigarettes would not result in any reduction of prices to consumers or any increases in consumption; that to effect substantial reductions of prices and increases in consumption, it will be necessary to have a reduction of at least 40 per cent. in all tax rates. It was stated further that a change in tax rates which would affect favorably the competitive position of the present 10-cent cigarettes in relation to the standard cigarettes, would affect adversely the prices paid to farmers for the better cigarette grades of tobacco. In explanation, it was argued that the higher-priced cigarette grades are used in standard cigarettes and the lower-priced grades in 10-cent cigarettes.

Let us examine each of these plans and see what there is in them that would benefit tobacco growers. The first, that of reducing the tax rate on 10-cent cigarettes, might or might not be necessary in order to insure the maintenance of the 10-cent cigarette on the market. It probably would be necessary within a year or two if tobacco prices continue to advance. The present margin received by these manufacturers, from which they must pay for the cost of tobacco, manufacturing costs and selling charges, is $1.19 per thousand cigarettes, or about 2.4 cents per package of twenty. This is exactly half of the present margin of the manufacturers of standard cigarettes from which they pay for the same items.

If it is a question of reducing the tax rate on the 10-cent cigarette in order to keep a cigarette of that class on the market, I believe that such a reduction would be to the advantage of tobacco growers. More competition and not less is needed in the cigarette industry. Also, many consumers probably would turn to some other product if 10-cent cigarettes were not available and this change would probably cause them to use less tobacco.

The 40 per cent. horizontal reduction is more far-reaching. It undoubtedly would result in some immediate increase in consumption. Whether or not this increase was lasting would depend upon, first, whether the reduced prices were continued, and second, whether it tended to make for greater concentration of the industry in the hands of a few companies. Its proponents contend that it would result in standard cigarettes selling at 10 cents per package and the present 10-cent cigarette selling for two packages for 15 cents. The question of whether consumers will buy cigarettes in considerable quantities at two packages for 15 cents when more highly advertised cigarettes sell at 10 cents per package would be an experiment. Should the two for 15 cents price prove to be unpopular, the increase in consumption might be relatively small.

Then, it represents a continuance of the present tax system on tobacco. We know that under this system the cigarette industry has been concentrated in a relatively few companies. In fact, it has been frequently pointed out that the cigarette manufacturing industry has monopolistic tendencies. We know from experience that competition in the purchase of tobacco is desirable and that it is dangerous to tobacco growers to allow too great a concentration in the manufacturing branch of the industry.

We have given careful study to the general idea of a reduction in tobacco taxes over a period of several months and have worked out some changes in both plans suggested by the manufacturers that we believe would tend to protect the interests of tobacco growers. If a substantial reduction in the tax rate on cigarettes can be made, we suggest that consideration be given to the following:

> $3 per thousand on cigarettes with a net wholesale price of more than $4.25 per thousand. Cigarettes selling to retail at two packages of twenty for 25 cents and more would fall into this class.

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**1.** QUALITY RALEIGHS NOW REDUCED TO POPULAR PRICES. ($6.10 PER M—LESS USUAL JOBBER'S DISCOUNT.)

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***No wonder sales are climbing fast.*** When you can offer a quality cigarette at the same price as others, isn't it good business to stock and display Raleighs? B & W coupons in each pack good for handsome premiums. (Offer good in U. S. A. only.)

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|---|---|
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| *INLAID CARD TABLE "Adler Royal" | 500 coupons |
| INITIALED BRIDGE CARDS "Congress Quality" | 50 coupons |
| BRIDGE SET OF TWO DECKS | 85 coupons |
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$2 per thousand on cigarettes with a net wholesale price of more than $3 per thousand and not more than $4.25 per thousand. Cigarettes selling to retail at 10 cents per package of twenty would fall in this class. The bulk of the sales would probably come in this group.

$1.40 per thousand on cigarettes with a net wholesale price of not more than $3 per thousand, provided they are sold in packages of fifteen cigarettes each. Cigarettes selling to retail at 5 cents per package of fifteen would fall in this class.

In our judgment, the above rates would more nearly accomplish the objective of tobacco growers than any other combination of rates that has been proposed. The $3 rate for cigarettes selling to retail for more than 10 cents per package is left in order to insure that the manufacturers of standard cigarettes will move their cigarettes into the 10-cent price class and keep them in that price class. The $2 rate suggested would enable the manufacturers of the standard cigarettes to sell their product at a price that would permit a package of twenty to retail at 10 cents. It is expected that the bulk of consumers using cigarettes which now sell at 10 cents per package of twenty and at two packages for 25 cents would turn to this class of cigarettes.

The rate of $1.40 per thousand is suggested in order to encourage the introduction of cigarettes selling at 5 cents per package of fifteen. It is expected that a considerable proportion of the present users of granulated tobacco and hand-made cigarettes would turn to the 5-cent cigarettes. It has been estimated that between twenty-five and thirty billion hand-made cigarettes were consumed in 1933. When consumers turn from hand-made cigarettes to manufactured cigarettes, they consume more and this would be reflected in a larger consumption of leaf tobacco.

One of the advantages of this plan is that it would offer both a 5-cent and 10-cent cigarette on the market. Since the aims of both groups, so far, indicate a strong desire to be allowed to sell a 10-cent cigarette, at a satisfactory margin of profit, unquestionably the 10-cent price is popular. It seems reasonably certain that a tax reduction plan which makes available the standard brands at a 10-cent price, and which keeps them there, would be favorable to increased consumption of cigarettes and a larger domestic market for the cigarette grades of flue-cured and Burley tobacco. Coupled with the standard brands at 10 cents, in order to get maximum consumption of cigarettes in our domestic market, it is believed that a popular companion would be a 5-cent package of fifteen cigarettes. This forms the basis of a plan, embracing the best of the two ideas already suggested, which we firmly believe promises the largest income for tobacco growers at the present and also for a long number of years. It is reasonable to think that a package of fifteen cigarettes for 5 cents would more likely be popular than two packages of twenty cigarettes for 15 cents.

The plan presented by the 10-cent manufacturers, if adopted, probably would enable them to obtain larger profits than they obtained last year or are obtaining this year. The plan presented by the manufacturers of standard cigarettes probably would enable them to obtain larger profits than they obtained last year or are obtaining this year, taking into account the increase in consumption. The plan outlined above would permit each group of manufacturers to obtain profits at least equal to the average profits that they will obtain for 1933 and in 1934. If consumption should increase as some have indicated that they thought it would, profits would be increased above present levels.

It has been claimed by some advocating changes in tax rates that manufacturers' margins should be larger so that larger returns could be paid to tobacco growers. Our observation is that there is but little or no relationship between the prices paid to tobacco growers and the margin received by manufacturers. During some years when leaf tobacco prices and other costs have been lowest, cigarette prices have been advanced. This occurred in 1931. Our observation is that tobacco manufacturers follow practices similar to those followed by other buyers; that is, they pay what is necessary in order to get the kind of tobacco that they want, and sell cigarettes at a price at which they believe they can obtain the largest profits.

Some have indicated that they were fearful that the sale of cigarettes in two price classes might affect adversely the prices of the better grades of tobacco. The plan outlined above probably would result in considerable shifting from smoking mixtures and hand-made cigarettes to manufactured cigarettes. It is our observation that higher prices are paid for the grades used in manufactured cigarettes than are paid for those used in other classes of products. There is some difference in the prices paid for the tobacco used in the standard cigarettes and that used in the 10-cent cigarettes, but most of the difference in the cost of the tobacco in these two classes of products is due to the larger quantity of imported tobacco used in the standard cigarettes. Consequently, the plan for two price classes of cigarettes should cause a slightly greater advance in the prices of the better grades of tobacco than of the lower grades.

We have no quarrel with tobacco manufacturers because of the profits that they have been able to make, so long as these profits are not obtained at the expense of other groups in the industry. But when it appears that extra profits are being taken at the expense of tobacco growers and that the present system of taxing tobacco products is aiding them in doing so, we believe it is high time for tobacco farmers to become interested in helping to change the tax system for their own protection. A great deal of evidence can be offered to show that a high flat tax rate and fair prices for tobacco seem to "groove" cigarettes into a one popular-priced package.

In 1919, the tax on cigarettes was placed at $3 per thousand, where it has remained until the present time. During the period from 1919 to 1929, flue-cured and Burley tobacco, from which cigarettes are made, sold at an average of more than 20 cents a pound, farmers' weight. The price of practically all cigarettes sold during this same time was at the 15-cent level or above. The 15-cent cigarette apparently afforded a wide margin of profit to the manufacturers, as evidenced by their annual profits during these years.

Following the imposition of the $3 tax rate, practically 95 per cent. of the cigarette business was concentrated in the hands of four big companies. This concentration of the cigarette business into the hands of a few heavily capitalized corporations left them with supreme power, and the farmer with little or no power, over prices of cigarette types and grades. Minimum competition—and all of this eager to "buy as cheap and sell as high as they could"—finally drove the 20-cent average for cigarette types down to the ruinous level of approximately 11 cents for the 1931 and 1932



# TO RETAIL TOBACCO DEALERS

## *NOTICE OF ELECTION*

Retail tobacco dealers who are not members of the Retail Tobacco Dealers of America, Inc., or any of its affiliated Associations are entitled to elect one (1) member to the National Code Authority.

Therefore, if you are not a member of any of the aforementioned Associations, you are entitled to ballot and select a man of your choice to represent you.

The Code Provides:

"SECTION 1. There shall forthwith be constituted a Code Authority consisting of not more than ten (10) members selected as follows:

"Two (2) members shall be members respectively of the retail food and grocery trade and of the retail drug trade engaged in the sale at retail of tobacco products and each shall be designated by the Code Authority established by the code of fair competition for his trade.

"One (1) member shall be appointed by the Consumers' Advisory Board of the National Recovery Administration.

"Six (6) members shall be representative of the retail tobacco trade and shall be designated by the Board of Directors or the Executive Committee of Retail Tobacco Dealers of America, Inc. One of the said six (6) members shall represent a national chain of tobacco stores and five (5) of the said six (6) shall represent other tobacco retailers.

"One (1) member shall be representative of and selected by the non-members of Retail Tobacco Dealers of America, Inc., non-members of any of its affiliated associations and shall be designated pursuant to a plan which shall be submitted to the Administrator for his approval by the other members of the Code Authority within fifteen (15) days after the effective date hereof."

In order for your ballot to be counted, it must be filled out and returned to this office not later than August 20th, 1934.

**National Code Authority for The Retail Tobacco Trade**

**726 Jackson Place N. W.** **Washington, D. C.**

## NOMINATIONS

| | | | | | |
|---|---|---|---|---|---|
| Louis Huck,<br>508 Liberty Ave.,<br>Pittsburgh, Pa. | P. S. Rossiter,<br>2052 East Fourth St.,<br>Cleveland, Ohio | Edward Snyder,<br>521 Fifth Ave.,<br>New York City, N. Y. | A. F. Gundlach,<br>90 State St.,<br>Albany, N. Y. | Lloyd S. Graham,<br>131 Delaware Road,<br>Kenmore, N. Y. | Dave Jelling,<br>486 Clinton Ave.,<br>Newark, N. J. |
| Sidney B. Flashman,<br>70 Scollay Square,<br>Boston, Mass. | Daniel Crean,<br>256 West 57th St.,<br>New York City, N. Y. | Joseph Peretti,<br>993 Boylston St.,<br>Boston, Mass. | Clifford H. White,<br>89 East Ave.,<br>Rochester, N. Y. | Fred N. Grafer,<br>155 Fifth Ave.,<br>New York City, N. Y. | H. S. Smith,<br>Newport News, Va. |

## BALLOT

The undersigned, hereby representing himself to be a member of the Retail Tobacco Trade, and that he is not a member of Retail Tobacco Dealers of America, Inc., or any of its affiliated associations, hereby designates the following person to be a member of the Code Authority representative of members of the Retail Tobacco Trade who are not members of Retail Tobacco Dealers of America, Inc., or any of its affiliated associations.

NAME _____ ADDRESS _____

(here insert the name and address of one of the foregoing named persons, or of any other person properly qualified and willing to act, whom you may care to designate)

_____ _____

(name) (address)

Return Ballot to
NATIONAL CODE AUTHORITY
for the
RETAIL TOBACCO TRADE
Before August 20, 1934
726 Jackson Place, N. W.
Washington, D. C.

(If your business is conducted under any name other than that above signed insert here style under which your business is conducted.)

_____

crops. It was rather amazing, in view of these low prices to growers, to see these manufacturers increasing their cigarette prices during these years, eventually from $6 to $6.85 per thousand wholesale.

This tobacco history reveals a real need for a tobacco tax system that will help not only to increase the domestic consumption of cigarettes but that will at the same time be favorable towards greater competition in the manufacturing branch of the industry, instead of aiding manufacturers towards monopolistic control.

Other tax reductions that might help increase consumption to some extent are on chewing tobacco and low-priced cigars. Time does not permit a discussion of all phases of the problem but we believe that careful consideration should be given to the tax rates on these two products.

The proposal I have outlined is my personal conviction based upon a prolonged inquiry into all the phases of the tax question. Uppermost in my mind in examining and re-examining the various proposals that have been suggested, has been the economic welfare of tobacco growers. I do not assume to state administration policy on this very complex matter. Other departments of Government have an interest in what is done. It is the prerogative of Congress to determine what is best and proper and, as your representatives, legislate accordingly.

I feel that much progress has been made in recent months in bringing the tax question before members of Congress and other Government officials. An opportunity exists to continue the efforts in the next session of Congress and, with the common objective of bringing aid to tobacco growers, I am hopeful that we can all agree upon a sound proposal that will do the job. I therefore urge you people to continue your consideration of this question; discuss it among yourselves and, at the proper time, join together with the tobacco growers of other regions in advocating the adoption of the proper legislation.

Almost half of the total tobacco crop and more than half of the flue-cured crop is consumed in foreign countries. The question of increasing export outlets is receiving our most careful consideration. It is estimated that in 1932 consumers in foreign countries used between 125 and 150 million pounds of foreign-grown tobacco that would not have been used except for trade restrictions of various kinds. Without these restrictions, an equal quantity of tobacco from the United States would have been used. These displacements have been taking place over a period of years and it is our task to help correct this situation as quickly as possible.

Two steps have already been taken in this connection. First, the increase in the price of gold during the past year from $20.67 to $35 an ounce has increased the purchasing power of foreign currency in relation to the American dollar and has thus made our tobacco far cheaper in terms of foreign currency. This made it possible for export buyers to keep step with domestic buyers last season. This will also make it possible for them to advance prices materially this season. Second, we have been able to bring about some increase in takings by foreign countries in return for permission to sell wines and liquors in the United States.

We are just beginning a third move in this same direction. Under the new tariff act passed at the last session of the Congress, the President is authorized to enter into trade agreements with foreign countries to reduce or increase any existing tariff rate by as much as 50 per cent. This means that we can negotiate with foreign countries and agree to remove trade restrictions on some of their goods if they will agree, in turn, to remove trade restrictions and take more of our products. In this bargaining we are giving careful attention to tobacco, since it has been displaced in foreign countries in considerable quantities in recent years because of trade restrictions.

We hope to regain at least some of the recently lost export trade. Consumers in most countries in which our tobacco has been used prefer it because of its aroma, taste, elasticity, and other desirable qualities.

We hope to be able to offer some inducements in order that foreign governments may be able to again permit consumers to have the products which they desire. Progress may be slow but carefully exploring all possibilities, we believe that some further increase in foreign consumption can be brought about. Already there has been a marked increase in the exports of some types of tobacco, particularly flue-cured, and during the coming months we shall be giving more and more attention to the making of further gains.

Unsettled world conditions make it impossible to even attempt a forecast as to what may be accomplished in recapturing America's export outlets for tobacco. I believe that there are some opportunities. We should not, however, rely too much upon the possibility of any immediate expansion of foreign takings of the export types of tobacco. Such agreements as may be developed will, of necessity, require time to negotiate. It will not be an immediate, rapid process. Tobacco growers are still faced with the task of determining, realistically, just what consumption requirements will be at home and what can be sold abroad. There is a danger in being unduly optimistic on both scores. Orderly adjustment must continue or else new surpluses will develop to lead us into fresh disasters

Expanding the domestic and foreign markets for tobacco are the next steps in increasing the income of tobacco growers. You have a responsibility for the success of these undertakings, just as definitely as in the adjustment program to reduce price-depressing surpluses. Your co-operation, your good judgment and your constructive action on these two problems are equally as important as in the success you have attained along another front during the past year.

*The foregoing is the text of an address by J. B. Hutson, Chief of Tobacco Section, Agricultural Adjustment Administration, at the Annual Farmers' Convention, Raleigh, N. C., on August 1.*

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### TOBACCO EXCHANGE OPENING

The New York Tobacco Exchange, located at 90 Broad Street, New York City, announces its formal opening on Wednesday, August 15, 1934. Those interested were cordially invited to inspect the trading floor any day prior to opening.

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### RINEHART ADMINISTRATION MEMBER

Robert E. Rinehart, vice-president of Frank Presbrey Company, 247 Park Avenue, New York, who has had long experience in newspaper and advertising work, has been appointed administration member of the Code Authority of the cigar manufacturing industry, NRA announced today.



### PUBLIC HEARING ANNOUNCED

A PUBLIC hearing will be conducted August 21, by Deputy Administrator C. W. Dunning, in the Mayflower Hotel, on a proposed code of labor provisions for the cigarette, snuff, chewing and smoking tobacco manufacturing industry. It is proposed to establish a 40-hour maximum week and an 8-hour day. In cases of emergency, longer hours may be worked; but overtime at the rate of time and a third must be paid.

Engineers, firemen and shipping employees would be permitted to work 44 hours a week and 9 hours a day; and watchmen may be worked 56 hours a week.

A 48-hour week would be provided for employees working on assignments connected with the handling and prizing of green leaf tobacco during the leaf buying season.

Executive, managerial and supervisory employees would not be subject to a limitation of hours.

A minimum wage of 40 cents an hour would be provided for factory or mechanical workers, or artisans. Hangers, stemmers, searchers, pickers and those employees engaged in the processing of plug and twist manufacture would be paid, for those who work upon hourly rates, not less than 25 cents an hour.

Provision would be made for the payment of a minimum of 25 cents an hour to learners.

Clerical or office help would be paid not less than $15 a week, except that office boys and girls would be paid at a rate not less than 80 per cent. of the regular minimum wage. Watchmen would be paid not less than $18 a week.

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### GEORGE AND GRACIE FROM LONDON

George Burns and Gracie Allen, vacationing in Europe, were guest stars in the Variety Hour of the British Broadcasting Corporation Saturday, August 11. Their part of the program was short-waved to the United States from London and heard over a WABC-Columbia network from 4.30 to 4.45 P. M., Eastern Daylight-saving Time.

The Variety Hour is considered one of the outstanding programs of the British Broadcasting Corporation. The leading talent of both England and the Continent are presented to the English radio audience in this show.

Burns and Allen will return to the United States the first of next month for their new program, "The Adventures of Gracie," which starts September 19 over the nationwide network of the Columbia Broadcasting System, sponsored by The General Cigar Company.

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### TOBACCO EXPORTS UP

Exports of leaf tobacco showed an increase over June, 1933, the index being ninety as compared with fifty-seven a year ago. The export movement for the month amounted to 27,799,000 pounds valued at $5,490,000 compared with 17,375,000 pounds valued at $2,598,000 during June, 1933.

The volume of agricultural exports in general, however, was 59 per cent. of the June average for the prewar years, June 1910-1914, according to the Bureau of Agricultural Economics. This June index of fifty-nine was the lowest for any corresponding June in the last two decades, and compares with seventy-two in June, 1933.

### CODE AUTHORITY COMPLICATION

DEMANDS of code authorities that they be permitted to levy assessments against business establishments handling their products but whose major activity is in some other line with a code toward which they are contributing, have developed one of the most complicated problems confronting the National Recovery Administration.

It was originally planned that business concerns should contribute only to the support of the code authority for their major line of business, and it has been complained by authorities for lines in which there is large distribution as a secondary product that this is depriving them of needed finances.

While the administration has dealt with some of these situations by granting exceptions and permitting some establishments to be assessed several times, such action has always aroused a storm of protest among those so taxed, and it appears probable that many code authorities in specialty fields will have to curtail their operations, thus indirectly bringing about the simplification of code administration at which NRA officials are aiming.

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### BELIEVERS IN ADVERTISING

With sales for the first six months of the year at the highest peak since the firm was established in 1899, the Axton-Fisher Tobacco Company's record is one of which advertising can be proud.

The makers of Spud and Twenty Grand cigarettes are a shining example of the value of not reducing advertising when storm clouds disturb the economic realm. From 1929 on when many an advertising account became a matter of history in magazine and newspaper files, Col. Wood F. Axton, president of Axton-Fisher, kept firing away at the depression with his advertising schedules.

The result is a record which proves the courageousness and sagacity of the Kentucky tobacco wizard. Last year Axton-Fisher built a new factory at a time when all building operations were at a standstill.

Axton-Fisher's record proves that steady advertising coupled with a good product and competent management can overcome an economic drouth of the first magnitude.

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### O'CONNELL WITH DEMUTH

T. J. O'Connell, who has a wide acquaintance of friends in the tobacco business in New England, is now in charge of sales for the New England division of William DeMuth & Company. He made his first trip early in August and many of his friends greeted him.

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### PORTO RICAN TOBACCO

A net loss of $201,112 was reported by Porto Rican American Tobacco Company for six months ended June 30th. For first half last year there was a net loss of $248,520.

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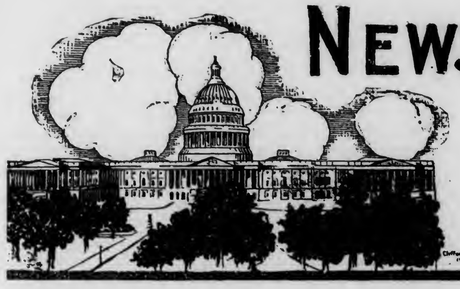
### CONGRESS CIGAR

Congress Cigar Company had a June quarter net profit of $12,175, against net loss of $6927 in second quarter last year.



# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

RETAIL tobacco stores in towns of less than 2500 population are relieved of all responsibility for conforming with recovery code provisions dealing with maximum hours of employment, hours of store operation, minimum wages or fixed prices and will not be required to make any contribution to code authorities for the administration of codes, under an order issued by the National Recovery Administration August 7.

The order clarifies the President's executive order of May 15, last, exempting purely local establishments in the small communities from the requirements of codes.

Employers exempt from the general provisions of codes will be required to abide by those dealing with unfair trade practices and prohibiting the employment of child labor, and the exemption applies only if the town of less than 2500 population is not located within the trade area of a larger community.

CODE authorities for some 400 industries have been asked by the Business Advisory and Planning Council to give their views on the desirability of setting up unemployment reserves as the first step toward a national program of unemployment insurance, and the specific form which such reserves should take.

Unemployment insurance is one of four points in a program which will be submitted to Congress by the Administration next winter, involved in which also will be a proposal for the decentralization of industry and the payment of benefits and pensions to the aged and those physically unable to work.

"The paramount importance of the topic of unemployment insurance," it was explained by S. Clay Williams of the R. J. Reynolds Tobacco Company, Winston-Salem, N. C., chairman of the council, "makes it imperative, especially in view of probable legislative developments in this field at the next session of Congress, that American business and industry inform itself on the subject and make its views known so that constructively helpful principles may be adopted and co-operative action between business and Government may result.

"It is my hope that the council's questionnaire will not only stimulate serious thought among business leaders on the subject of unemployment reserves but will also reveal clearer and more representative information as to industry's position than has heretofore been available."

CONSTITUTIONALITY of the Industrial Recovery Act is challenged and the National Recovery Administration charged with fostering monopoly in responses filed with the Federal Trade Commission this month to complaints charging manufacturers in the rubber footwear and ice industries with violations of their codes.

The issues involved in the cases before the Commission are of national importance, and it was indicated that any decision which might be rendered would immediately be carried to the courts. Victory for the companies opposing the NRA would necessitate the rewriting of a large number of codes and would strike a body blow to the whole program of the organization.

Charged with having failed to file their price schedules as required under their code, three rubber companies asserted that the agreement was monopolistic and oppressive and had been drafted without their having been given a hearing.

The ice company, charged with having established and operated an ice manufacturing plant in violation of a code provision prohibiting increases in productive capacity without the approval of the Administrator, contended that the act was unconstitutional and that "Congress cannot delegate its powers to the President, who then transfers them to another party." The company also asserted that Congress does not have the power to regulate or prohibit manufacturing.

IMPORTERS of foreign merchandise on which duties may be lowered under reciprocal trade agreements, while highly in favor of lesser rates, are perturbed over the possibility that the changes made be made overnight and are urging that a "period of grace" be granted in which they can prepare themselves for the new conditions.

No provision for such a period is made in the tariff law under which the agreements are being negotiated, and it will be possible for the President to announce changes in rates to become effective immediately, leaving the importers with stocks on their hands which have been displaced by fresher imports at lower cost. Since the law authorizes the President to change rates by as much as 50 per cent., and it is presumed that where reductions are made they will be to the full amount permissible, importers, it is pointed out, could easily be placed in a position where they might suffer heavy losses.



## TOBACCO EXPORTS 1934

(*Continued From Page 4*)

United States, no business was done in this type and it is too early yet to predict sales possibilities. Sales in dark-fired Virginia were reported as small during the quarter, owing, it is claimed, to the fact that the tobacco had no body and that prices demanded were rather high for the quality of tobacco offered.

### Hamburg Tobacco Market

The Hamburg tobacco market was quiet during the month of June, local imports being restricted mainly to Brazil and Oriental tobaccos. American Consul John J. Meily, in a review of the June Hamburg market, made public by the Tobacco Division, Department of Commerce, advises that arrivals of other exotic leaf were so small in quantity that they need hardly be considered in a survey of the local market.

Arrivals of American tobacco at Hamburg Free Port during June amounted to 540 hogsheads, of which 350 hogsheads were Kentucky and Virginia leaf and 190 hogsheads of stems. Other leaf arrivals totaled 57,330 bales, of which 13,770 were from Brazil, and 43,520 were Orientals. Waste and scraps totaled 4030 bales.

### Tobacco Situation in China

American Assistant Commercial Attache A. Bland Calder has advised the Tobacco Division, Department of Commerce, that the trade in American leaf tobacco on the Shanghai market has shown no marked improvement and the outlook is no better than at the end of the first quarter. Factories are reported to be using a larger proportion of China grown leaf, which has dropped further in price, hence is in a more favored position. Cigarette production in the legitimate taxed industry is running below normal. March quarter output of the factories in the Shanghai district was 12½ per cent. below that of the same period of 1933, due to the several adverse factors, higher taxation, decreased purchasing power, and increase in smuggled untaxed production.

Offtake by factories from American leaf tobacco stocks in Shanghai continued subnormal during May and sales are being made at prices which figure out for many grades (after deduction of transportation and other expenses) as much as two cents or more below the price the same tobacco would bring in the home market had it not been shipped to China. There is no great hope for any immediate decrease in the cigarette tax rates adopted last December. The indications are that the present rates will stand for some months or a year to come. Two of the large foreign owned (non-Chinese) cigarette factories in Shanghai were closed down for part of the month of May, due to labor troubles, and had not reopened at the end of the month. The difficulties appear to have arisen from the activities of labor agitators and not as a result of dissatisfaction or demands on the part of the employees themselves.

### Tobacco Imports Into France

Reviewing official reports from the Ministry of Finances, American Vice Consul Davis B. Levis states that importations of leaf tobacco into France during the first four months of 1934 increased over those of the corresponding period of 1933 by 962,969 pounds,

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway New York, N. Y. ..... President
CLIFFORD N. DAWSON, Buffalo, N. Y. ..... Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
A. STERNBERG, Newark, N. J. ..... Secretary

RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

MORRIS LEVITONE ..... President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. ..... Secretary

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

F. ASBURY DAVIS, Baltimore, Md. ..... President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

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JOHN F. BROWN ..... President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. ..... Secretary

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*FACTORIES: Tampa and Key West, Florida*

OUR HIGH-GRADE NON-EVAPORATING

**CIGAR FLAVORS**

Make tobacco mellow and smooth in character and impart a most palatable flavor

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### CIGARS WANTED

I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

### FOR RENT

30,000 SQUARE FEET DAY-LIGHTED FLOOR SPACE IN A 3-story and concreted basement building adjacent to P. R. R. freight station in York, Pa. Building of sufficient strength to accommodate at least 50 cigar-making machines per floor. See A. Kauffman & Bro., York, Pa., for inspection and details.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### NEW REGISTRATION

**ILLINOIS AUTOMOBILE CLUB:—46,349.** For all tobacco products. Alfonso Rios & Co., Inc., Chicago, Ill., June 28, 1934.

### TRANSFERRED REGISTRATIONS

**EL RETOZO:—33,867** (United States Tobacco Journal), and **34,554** (Tobacco Leaf). For cigars, cigarettes, cheroots and tobacco. Registered January 22, 1908, and January 24, 1908, respectively, by American Litho. Co., New York, N. Y. Through mesne transfers acquired by Odin Cigar Co., Detroit, Mich., and re-transferred to Masterpiece Cigar Co., Grand Rapids, Mich., June 11, 1934.

**LIFE'S HANDICAP:—19,126** (Trade-Mark Record). For cigars. Registered May 5, 1898, by L. Levy & Son, New York, N. Y. Transferred to American Box Supply Co., Detroit, Mich., and re-transferred to J. Mazer Sons Cigar Co., Detroit, Mich., May 16, 1934.

**ROYAL SCOT:—18,732** (Trade-Mark Record). For cigars. Registered February 4, 1898, by Schumacher & Ettinger, New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the registrants, to Bernard Schwartz Cigar Corp., Detroit, Mich., August 1, 1934.

*(Continued From Page 17)*

and imports from the United States increased from 1,861,564 pounds to 2,792,787 pounds, or approximately 50 per cent.

The review of Vice Consul Levis, as made public by the Tobacco Division, Department of Commerce, further states that an analysis of the figures indicates an important increase in imports of leaf tobacco from French colonies, notably Algeria and Madagascar, and a decrease in the total imports from other countries, although besides the United States, Greece made substantial gains. Imports from Germany and Hungary declined materially.

### West of Scotland Tobacco Trade

The prime factor to be considered in the tobacco trade in the west of Scotland, and perhaps in the entire country, is the increasing sale of tobacco products manufactured wholly or containing a large proportion of tobaccos of British Empire origin.

A report by American Vice Consul J. Forrest Ingle, based upon personal interviews with the tobacco trade, and made public by the Tobacco Division, Department of Commerce, states that during the period from 1924 to 1927, when Empire tobacco came into favor for the manufacture of cigarettes, it was not used in the making of cigarettes by local firms on account of its unsuitable flavor. During the past year or two, however, importers who formerly stated that they would not handle Empire tobaccos, and manufacturers who previously would not use them, have been forced by public demand to concentrate their efforts on the manufacture and distribution of pipe tobaccos of Empire growth.

SEPTEMBER 1, 1934

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VOLUME 54 No. 17

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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**AUTOKRAFT BOX CORPORATION**
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A Nation Wide Service

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After all nothing satisfies like a good cigar

# WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 SEPTEMBER 1, 1934 No. 17

THINGS are happening in the tobacco business. The cigar people are making herculean efforts to obtain authorization to put the merchandising plan of the Code into effect. Class B cigars continue to increase. Cigarettes show a gain of nearly 20 per cent. for July, a matter of nearly 1 billion, 829 million. The proposed Code of labor provisions for the cigarette, snuff, chewing and smoking tobacco branches of the industry had hearings in Washington. Amendments are proposed which will permit the continued manufacture of "two-fers" in York County. The industry paid in July about seven and a half million dollars more in internal revenue taxes than in the corresponding month of last year. Leaders of the industry who believe in making as good a product as they can for the money they ask for it, in merchandising it in an intelligent way, and in advertising it in a manner that will prompt people to ask for it, are looking forward to a good fall and winter business. And retailers who believe in helping others to help them in business are becoming members of their local organizations, affiliated with the national association formed to assist them to get more profits out of their business through the operation of the Retail Tobacco Code.

NEVER has there been a greater interest in tobacco products and smoking than at the present time. Much of this interest is due to the scientific investigations regarding the effect of tobacco smoking, in all forms, on the human system. The latest pronunciamento to reach the newspapers was the reported statement of Dr. S. Calvin Smith that smoking is a pleasure that should not be denied to weak-hearted persons, since there is no scientific proof that tobacco affects the heart adversely. Apropos of all this scientific discussion, there are many items of information in Otis Allen Kenyon's booklet, "Theory and Facts of Cigarette Smoking," which ought to be of absorbing interest to all engaged in the tobacco business. For instance:

A BURNING cigarette produces smoke, the characteristics of which vary with the following factors: 1. Temperature of lighting; 2. Character of tobacco and flavoring matter; 3. Speed of smoking; 4. Length of unburned cigarette. Products of combustion include carbon dioxide; carbon monoxide; nicotine; ammonia; aldehydes, such as acrolein, furfural, tars, formic acid. The tars divide into two groups generally known as high-temperature tars and low-temperature tars. Whether there is a preponderance of one group over the other is determined by the manner in which the cigarette is smoked. If the cigarette is lighted statically and smoked leisurely, there is a preponderance of low-temperature tars. If lighted with a strong draft from a match flame and smoked vigorously and fast, there is a preponderance of high-temperature tars. High temperature tars are insoluble in water. They stain the fingers and teeth and are hard to remove. They also coat the membranes of the mouth and throat. Low-temperature tars are soluble in water and do not stain. They are easily removed by ordinary washing.

"The constituents of the smoke also depend upon whether the smoke comes from the lighted end or is drawn through the cigarette into the mouth. The free smoke from the end has an alkaline reaction, while smoke drawn through the cigarette has an acid reaction. The alkaline reaction of free-burning smoke is the principal cause of irritation felt when smoke-laden air is breathed in. It also explains why the smoke from the end of the cigarette hurts the eyes more than smoke blown from the mouth. In a crowded room, non-smokers suffer more from smoke than people actually smoking. Smokers suffer less for two reasons: First, they have an acquired tolerance for smoke; and second, the slightly acid reaction from the smoke of their own cigarettes partly neutralizes and displaces the ammonia-laden smoke from the many smouldering cigarettes in the room.

ONCE a cigarette is ignited, it burns like any other fuel. Starting from the burning end, we have first a layer of ashes, then glowing particles of tobacco, then charcoal which is charred tobacco, then an area of high temperature where the various substances are distilled, then a succession of areas of lower and lower temperature in which progressive condensation and redistillation are going on all the time as the cigarette burns. The gases and vapors given off by distillation, plus the smoke which comes through into the mouth, give the flavor and produce the physiological effects of smoking.

"If the cigarette is lighted with an open flame in direct contact with the end and the flame is drawn by strong suction into the end of the cigarette, it is easy to see that the high temperature area will extend much farther back into the cigarette and thus destroy the flavor of the tobacco . . . and by destructive distillation produce irritating products, principally high-temperature tars, much of which may be condensed farther along in the cigarette and revaporized as the cigarette is smoked. In this way, it is plain that a wrong lighting of the cigarette considerably depreciates the flavor and quality of the smoke.

"Along the same line of keeping temperature as low as possible, the smoker should always hold the cigarette with the lighted end uppermost when not smoking; and in this way, the heat of the bruning end is carried off into the air. Otherwise, it is carried along the cigarette, heats up the unburned tobacco, and changes the distillation and condensation characteristics of the cigarette, giving off more irritants and more nicotine than it would at a lower temperature."

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Retailers, Organize for Your Own Good

By WILLIAM A. HOLLINGSWORTH

President, Retail Tobacco Dealers of America, Inc.

DO your own thinking. It is not necessary for a man to be a big merchant or a high-powered executive to figure out the simple facts of his own business. He does it in his own family life without any expert assistance. So it should be with the Retail Tobacco Code, which has become a part of your business. Do not permit yourself to become confused by a lot of loose talk. The facts are simple and easy to understand, if you will only reason them out yourself.

Simply stated, the Code attempts to relieve the small retailer from the terrible burden of attempting to meet the competition of unfair merchants, who use branded tobacco products as a means of bringing customers into their stores by selling cigarettes at cost or less, hoping to make profit by selling other goods on which there is usual profit.

The Code does this by forbidding sales of cigarettes below a minimum price. In arriving at this minimum price, the Government naturally insisted the consumer be taken into consideration, and the retail price be fixed at a low enough level so as not to discourage consumption. These prices were agreed on only after months of hard negotiations on the part of a few unselfish men who have sacrificed their time, money and health in your behalf. As a result of their efforts, you are now protected against unfair selling methods of the business pirates.

Remember, these prices are in effect for only ninety days. During this period it is necessary that your national association, the Retail Tobacco Dealers of America, Inc., gather facts and evidence to prove to the Administration's satisfaction the necessity of continuing this protection. It must prove the retailers have lived up to the Code, and that no unusual hardships have been visited upon the consumers.

If the retailers feel prices have been set too low, an opportunity may be had to increase the mark-up, but only if they are prepared with the facts to prove their claims.

In order that all of these things may be done with some degree of intelligence it is very evident that all retail tobacco dealers in every part of the United States must co-operate and act as a unit, one great national organization.

This does not mean that local organizations are not necessary. They perform important services in their communities, such services as a national organization could not possibly attempt. But these organizations must be associated with the national body to be effective in matters so vital to you as your Code or your relations with the Government. There must be one voice for the entire retail tobacco industry, and it must be backed by every unit in the industry.

Your national association urgently needs your financial support to carry on its program—it needs you and your brother retailers right now—in sixty days it may be too late.

Your local organization can join and affiliate with your national association by paying only two dollars a year per member. Help your local organization and your national association by voting to immediately place every member of your local organization on the roster of the Retail Tobacco Dealers of America, Inc.

# $7,035,851 Paid to 10,233 Wage Earners

EMPLOYMENT of 10,223 wage earners, to whom $7,035,851 was paid in wages, and the manufacture of chewing and smoking tobacco and snuff valued at $130,596,974 in 1933 is shown by a preliminary tabulation of data collected in the Biennial Census of Manufacturers taken in 1934, released today by Director William L. Austin, Bureau of Census, Department of Commerce.

"Although this report shows decreases as compared with 1931, the last preceding census year," Director Austin said, "It is noteworthy that the rates of decrease in wage earners and wages are smaller than those in value of tobacco and snuff produced. These rates of decrease are—wage earners, 10.6 per cent.; wages, 18.9 per cent.; value of tobacco and snuff, 20.9 per cent."

The table below gives statistics for 1933 in comparison with those for 1931. All figures for 1933 are preliminary and subject to revision.

**Summary for the Industry: 1933 and 1931**

| | 1933 | 1931 | Per cent. of decrease |
|---|---|---|---|
| Number of establishments | 111 | 125 | —11.2 |
| Wage earners (average for the year)[1] | 10,223 | 11,441 | —10.6 |
| Wages[2] | $ 7,035,851 | $ 8,673,479 | —18.9 |
| Cost of materials, containers, fuel, and purchased electric energy[2, 3] | 83,040,937 | 111,158,257 | —25.3 |
| Value of products[2, 3] | 131,925,691 | 169,113,123 | —22.0 |
| Tobacco, chewing and smoking, and snuff | $130,596,974 | $165,128,707 | —20.9 |
| Other products | 1,328,717 | 3,984,416 | —66.7 |
| Value added by manufacture[4] | 48,884,754 | 57,954,866 | —15.7 |

[1] Not including salaried officers and employees. Data for such officers and employees will be included in later report. The item for wage earners is an average of the numbers reported for the several months of the year. In calculating it, equal weight must be given to full-time and part-time wage earners (not reported separately by the manufacturers), and therefore it exceeds the number that would have been required to perform the work done in the industry if all wage earners had been continuously employed throughout the year. The quotient obtained by dividing the amount of wages by the average number of wage earners cannot, therefore, be accepted as representing the average wage received by full-time wage earners. In making comparisons between the figures for 1933 and those for 1931, the possibility that the proportion of part-time employment was larger in one year than in the other should be taken into account.

[2] Manufacturers' profits or losses cannot be calculated from the census figures because no data are collected for certain expense items, such as interest, rent, depreciation, taxes, insurance, and advertising.

[3] Including $36,134,312 for 1933 and $44,284,926 for 1931, paid as internal revenue tax. This amount is included in cost of materials as well as in value of products in order to avoid inflating the item for "Value added by manufacture." (See footnote 4.)

[4] Value of products less cost of materials, fuel, and purchased electric energy.—LAMM.



# New Trade Agreement with Cuba

## Reciprocity Arrangement Effective September 3

THE cigar and cigarette industries of the United States stand to receive material benefits through the completion of the Cuban-American reciprocal trade pact, although the concessions to be availed of by the former may be reduced somewhat by increased importations. Unstemmed wrapper tobacco, which now carries a rate of $1.90 per pound will be permitted entry at $1.50, the rate on unstemmed filler is reduced from 28 cents to 17½ cents per pound, and on stemmed from 40 cents to 25 cents; scrap tobacco will come in at 17½ cents instead of 24 cents, while cigars will take a combination rate of $2.25 per pound and 12½ per cent. ad valorem instead of the present rate of $2.80 per pound and 20 per cent. ad valorem.

All of these commodities, however, are to be subject to a quota equal to 18 per cent. of the domestic consumption of tobacco.

In return for these concessions, preferential treatment is to be accorded exports of American products, respecting which the State Department made the following explanation:

"Of special importance is the preference of 20 per cent. conceded on all American tobacco and tobacco products, which, under the provisions of the Commercial Convention of 1902, are specifically excepted from preferential treatment. In addition, the duty on American cigarettes has been reduced from $4.50 per 100 pounds plus an ad valorem duty of 25 per cent. to $1.81 plus a 20 per cent. ad valorem duty. American cigarettes which formerly cost the Cuban consumer 75 cents a package will now retail around 25 cents."

The treaty was signed on August 24 and becomes effective ten days thereafter to remain in force for three years after which it may be denounced by either government on six months' notice.

In view of the United States cigar tobacco control program, involving the restriction of production of domestic growers in order that excessive supplies of tobacco on hand may be diminished, it was not believed equitable to grant Cuba reductions in duty without at the same time imposing some limitation on the amount of Cuban tobacco to be permitted entry into the United States, it was related.

At the same time, the State Department explained, since tobacco is second to sugar in importance in her economy, and, since the United States is her best customer for this product, Cuba desired concessions on this product.

"A satisfactory arrangement has been reached on the basis of a quota on imports of Cuban tobacco, together with reductions in duties," the Department added. "Under this arrangement the total quantity of cigar leaf tobacco, cigars and cheroots of all kinds which will be permitted to enter from Cuba is not to exceed 18 per cent. of the total quantity of tobacco used in the United States during the previous year for the manufacture of cigars. The figure of 18 per cent. is based on the percentage of the 10-year average of Cuban imports to total domestic consumption of cigar tobacco.

"The reduced duties should permit the sale of cigars at a somewhat lower price on this market, which should increase consumption. Cuba will benefit from the expanded market since the quota allotted her in any one year is calculated on 18 per cent. of the previous year's consumption. At the same time, it affords protection to the domestic producers, since imports of Cuban tobacco are limited. Moreover, if the cigar adjustment program is abandoned, the rates on Cuban tobacco will revert automatically to the present rates."

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### STANLEY CHARLES FREDERICK

IT IS with deep regret and sympathy that we record the passing of Stanley Charles Frederick, vice-president of the A. H. Balliet Corporation, Allentown, Pa., on Saturday, August 25. The end came at White Haven, Pa., where he had gone for treatment seven weeks previously. He was in his forty-third year. A native son of Allentown, he had been employed with the Balliett Corporation, where, in addition to his executive position, he acted as superintendent of the plant.

He was graduated from Allentown High School in 1907 and from Allentown Preparatory School in 1908. He attended Muhlenberg College.

A charter member of Christ Lutheran Church, he was active in the Sunday School and church and was at one time a member of the vestry. He devoted much time to the interests of the Masonic Order, in which he held several high offices.

Surviving him are his wife, Grace, nee Fritchman; his mother, Catherine J., nee Boyer; a son, Stanley, Jr., aged 9, and a sister, Helen, wife of Walter R. McGee, of Allentown.

Funeral services were held on Wednesday, August 29, at the home of his father-in-law, Stewart Fritchman, in Allentown. Interment was made in Fairview Cemetery.

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### DISBURSEMENTS TO GROWERS

A state-by-state tabulation showing the probable distribution of $41,702,000 that it is estimated will be disbursed in rental and benefit payments to tobacco producers co-operating in the 1933 and 1934 adjustment programs, has been issued by Ward M. Buckles, director of the finance division of the Agricultural Adjustment Administration. Of this $2,000,000 was for 1933 and $39,702,000 for 1934. Connecticut, Florida, Georgia, Illinois, Indiana, Massachusetts, Minnesota, New Hampshire, New York, Ohio, Pennsylvania, Vermont and Wisconsin were in the 1933 program. To these were added in 1934, Kentucky, Maryland, Missouri, North Carolina, South Carolina, Tennessee, Virginia, West Virginia and Puerto Rico.

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### American Sumatra Tobacco

American Sumatra Tobacco and subsidiaries for fiscal year ended July 31 shows profit of $463,031 compared with $8841 in preceding year.

### BAYUK BREVITIES

THE Rochester Branch of Bayuk Cigars, Inc., is setting a fast pace in increased distribution through new accounts in the territory on Phillies and other brands of the company, under the direction of M. F. Westphal, branch manager, and James P. Given, territorial manager . . . Harry Catlin, of the sales department, assisting Myers-Cox, distributor for Dubuque, Iowa, reports gratifying distribution and consumer demand in that sector . . . Charles Cox, Bayuk salesman working with Zolla Brothers, Chicago, is putting over some very fine promotional work on Phillies in the Windy City . . . As usual, Phillies are doing very well in their own home town, with what seems to an outsider like a complete coverage of retail outlets . . . Phillies have quite an extensive coverage on the outdoor boards here these days, too.

### G. H. P. SALES UP

FRANK P. WILL, executive vice-president of G. H. P., is feeling elated over the August sales which were better than his most sanguine expectations, incidentally beating last year's volume on El Producto and La Azora . . . Incidentally, he still crows about the condition of the cigar business in general, pointing to the withdrawals for the first seven calendar months as a picture of healthy growth . . . He is hopeful that this improvement will be heightened by an adjustment of the Cuban situation . . . D. A. Jenks, assistant sales manager, is away on a trip through the midwest in which he is combining business with pleasure, as part of his itinerary is a stopover in the old home town, Detroit.

### H. & S. OUTING

Employees of H. & S. Stores held their sixth annual outing at Grand View Park, Yerkes, Pa., on Saturday, August 19th. The events included races of all varieties, tug of war, baseball game, apple-eating contests, luncheon, dinner, bridge and dancing. The officers of H. & S. Employees Association are Harry Perlmutter, president; Albert M. Hunn, vice-president; Rose Brooks, secretary, and Marty Levitt, treasurer. The Outing Committee was composed of Harry Cohen, S. Littman and O. Abramson.

## Trade Notes

Mr. Joseph Wagner, of John Wagner and Sons, is en route to Europe on a vacation trip, but combining business with pleasure. He expects to return via the southern route, and will be away about three or four weeks. Mr. John Wagner has just returned from a vacation trip in the Maine woods.

Barton Lemlein, of M. Sachs & Co., New York City manufacturers of high-grade cigars, was a visitor in town this week, as was also William Freeman, of the Medal of Honor Cigar Co. Gimbel Brothers department store is featuring a splendid display of Medal of Honor cigars this week in their cigar department which is attracting considerable favorable attention, and producing new friends for the brand.

The Royalist factory (Grabosky Bros., Inc.), North Second Street, is now furnishing the trade with punctured heads on all sizes of their brand, and new window posters are being placed throughout their territories announcing this fact. The punctured head on a cigar is a great convenience to the smoker and it is anticipated will increase the demand for the Royalist to a considerable degree.

John Wagner & Sons, importers and distributors of high-grade cigars and tobacco products, announced this week, that they are no longer distributors of the Garcia y Vega cigar, but are featuring instead the Don Sebastian clear Havana cigar, made in bond by Arango y Arango. The Don Sebastian is gaining new friends daily in this territory.

"New Day Cigar Stands" is the title of an innovation to be launched by Yahn & McDonnell. It consists of a co-operative service including window displays, showcase and counter displays, and the service of a merchandising plan keyed up to present competitive conditions. To dealers who adopt the plan will be furnished the weekly service of both window decorators and merchandising men, to assist in the stimulation of their business.



# Merchandising Plan in Plain Languace

## A Translation of the Code Provisions into the Cigar Man's Words

TRANSLATING the legal language of the Cigar Code into the language of the cigar manufacturer, the Cigar Manufacturers Code Authority has issued a circular explaining the provisions of the merchandising plan. Emphasis is laid on the condition that prices must be prominently marked on the package, and that terms, prices and discounts must not be publicized until they have received notice from the Tobacco Trade Council that they are effective. Following is the text of the circular:

### General

1. The Cigar Merchandising Plan does not apply to a manufacturer who sells at retail directly to the consumer, all of the cigars which he manufactures.

2. All other cigar manufacturers will be required to file with the National Tobacco Council, Inc., 125 Park Avenue, New York City, with respect to each shape or size of each of his brands, a complete schedule of the following:

Minimum retail prices.
Discounts to retailers.
Discounts to accredited cigar jobbers.
Discounts to cigar service jobbers.
Discounts on drop shipments.
Discounts to be allowed for cash and the maximum time ordinarily granted by the manufacturer for the deduction of such cash discount.

The Merchandising Plan requires that all of the foregoing prices and discounts shall be uniform on any cigar of a given brand, size, shape and retail price. They may be varied for cigars of different size and shape, but of the same brand. No quantity discounts are permitted, except for the drop shipment discount, which must be uniform with respect to each shape, size and price of a given brand.

3. The Code does not require the filing of service credits which may be allowed on drop shipments, nor of the discounts to chain stores. Neither of these need be uniform, but both must fall within the limits prescribed in the Code.

4. The Merchandising Plan requires that the retail prices and discounts shall be filed with the National Tobacco Council. However, it is permissible to bill the customer at a net price, providing such price is determined on the basis of the retail price on file, and providing further that the invoice shows the retail price and the discounts, as required in Section 5 of Article VI of the Code. In calculating the net price, the retail discount should be deducted first and jobbing discounts thereafter. The cash discount should be deducted last.

5. The Merchandising Plan requires that retail prices be prominently marked on each container of cigars. It is contemplated that, within the next thirty days, your Code Authority will have obtained approval by the Administrator of a uniform stamp, to be applied to each container and to show the retail price of the cigar and the Blue Eagle emblem. Regulations as to the placing of such stamps will be issued upon its approval by the Administrator. Meanwhile, the individual manufacturer will have to use his own discretion as to the type of price mark and its *prominent* placing. In the interests of uniformity, it is recommended that the price mark be applied either on the outside front of the box opposite the revenue stamp, or on the inside lid label.

6. Prices and discounts filed with the National Tobacco Council *must not be circulated to the trade until notice has been received from the Council that they have become effective.* When such notice has been received, the manufacturer is free to circularize his trade. *The same restriction applies to changes in prices and discounts.*

### Retail Prices

7. Where it is intended that cigars shall sell at retail in groups (two for fifteen cents, three for twenty-five cents, seven for $1, etc.), the group price should be filed with the Council, as the minimum retail price.

8. The Code permits the manufacturer to establish a minimum box price, which may be not more than 8 per cent. lower than the established retail price of the contents. Where the manufacturer chooses to establish such box price, the cigars should none the less be billed on the basis of the retail price of the unit or group.

9. The Code Authority has ruled that retail prices and discounts to retailers, accredited jobbers and service jobbers, may be varied for different "packings." By different "packings" is meant a variation in the number of containers per 1000 cigars. The primary purpose of this ruling is to permit the manufacturer to pass along a portion of the increased cost of "fortieths" over the cost of "twentieths." This ruling is not intended to permit a variation in prices and discounts because of differences in the type of container, except in the case of special containers having an unusual intrinsic value.

10. Retail prices and discounts must be uniform with respect to cigars of the same brand, size and shape. *A different front mark does not justify a variation in price or discounts.*

11. It is permissible to establish a minimum retail price for single cigars in fractions of a cent, so that the addition of the state tax will bring the retail price of the unit to the next even cent. For example, a cigar could be marked to retail at not less than four and one-half cents. In a state having a tax of $5 per thousand, this cigar would actually be sold to the consumer at five cents. The same cigar would sell in a non-tax state at five cents, because the retailer could not collect four and one-half cents from the consumer. However, two of these cigars might sell for nine cents in a non-tax state, and for ten cents in a tax state. *However, if the manufacturer so establishes a fractional price, such price must be prominently marked on the container and must be uniform for all cigars of the same brand, size and shape, regardless of where sold.*

### Trade Discounts to Retailers

12. Trade discounts on sales to retailers (other than to chain stores) are limited to a maximum of 28 per cent., such discounts to be uniform to all retailers with respect to cigars of a given brand, size and shape (except on drop shipments referred to below).

### Trade Discounts to Accredited Cigar Jobbers

13. The term "accredited cigar jobber" is defined in Section 15 of Article II of the Code. There can only be one accredited cigar jobber as to a given brand in a given territory. Because of the exclusive arrangement provided for accredited cigar jobbers, there can be no cigar service jobbers in the same territory with respect to the same brand.

14. Without intending to constitute the manufacturer a jobber within the meaning of the Code, but for the purpose of determining the permissible maximum discounts, the Code Authority has ruled that, in territory where a manufacturer, either directly or through subsidiary or affiliated companies, performs the functions of an accredited jobber, *he must regard all other jobbers in that territory as sub-jobbers.* However, in special instances where this ruling works a peculiar hardship on a manufacturer, he may request the Code Authority to declare him to be a service jobber in a given territory and, if the facts appear to the Code Authority to justify such declaration, his request may be granted.

15. By written arrangement with the accredited jobber, the manufacturer may permit him to sell in adjacent open territory.

16. Trade discounts on sales to accredited cigar jobbers are limited to a maximum of 14 per cent., in addition to the discount which the manufacturer has established on sales of the identical cigar to retailers. Such discounts must be uniform to all accredited jobbers with respect to cigars of a given brand, size, shape and price.

17. Where an accredited jobber has requested or consented to a drop shipment to a retailer or sub-jobber, he *may* receive from the manufacturer, a service credit which shall not exceed the discount to accredited jobbers on the particular cigar, and the maximum discount of 14 per cent. In other words, if the manufacturer has established a 12 per cent. discount to accredited jobbers on a particular cigar, such manufacturer *may* allow an accredited jobber, a maximum service credit of 2 per cent. on drop shipments.

### Trade Discounts to Cigar Service Jobbers

18. The term "cigar service jobber" is defined in Section 16 of Article II of the Code. There can be no cigar service jobbers in the territory in which an accredited jobber has the exclusive distribution of a given brand. There can, however, be cigar service jobbers in this territory who handle other brands of the same manufacturer.

19. Trade discounts on sales to cigar service jobbers are limited to a maximum of 10 per cent., in addition to the discount which the manufacturer has established on sales of the identical cigar to retailers. Some confusion has arisen due to the fact that Sub-section (c) of Section 2 of Article VI contains a provision that the discount to service jobbers shall be not more than 66 2/3 per cent. of the discount established for accredited jobbers. The Code Authority has ruled that this limitation is meaningless, in view of the fact that there can be no service jobbers in territories where there is an accredited jobber. In the event that the Administrator raises any question as to the correctness of this ruling, the Code Authority intends to apply for a modification of the Code so as to clearly conform with this ruling.

### Drop Shipments

20. A discount on drop shipments to retailers or sub-jobbers, where permitted by the Code, may only be allowed on quantities of not less than 2000 cigars in the case of Class A and B, and not less than 1000 cigars in the case of Class C or higher classes. Direct shipments in smaller quantities must be sold on regular trade terms. The Code Authority has ruled that Classes A and B may be mixed to make up a drop shipment quantity, also Class C and higher classes. However, cigars of Class A or B may not be mixed with Class C or higher classes in order to arrive at the minimum quantities. Drop shipment quantities may consist of mixed brands of a single manufacturer. We are advised that the jobbers will be governed by a similar provision and will not permit the mixing of brands of different manufacturers. The maximum discount permissible on drop shipments is 5 per cent., in addition to the retail discount. Drop shipment discounts must be uniform as to cigars of a given brand, size, shape or price, but may be otherwise varied in the same manner as other trade discounts. The drop shipment discount shall be allowed by the manufacturer or the jobber whichever shall make the billing.

21. By previous arrangement with the manufacturer, drop shipments may be made by the accredited jobber out of his own stock, providing such jobber is required to furnish the manufacturer with duplicate invoices of the transactions.

22. *It should be clearly understood that the drop shipment discount plus the discount and service credit allowed to the accredited jobber, can in no event exceed 14 per cent.*

### Trade Discounts to Chain Stores

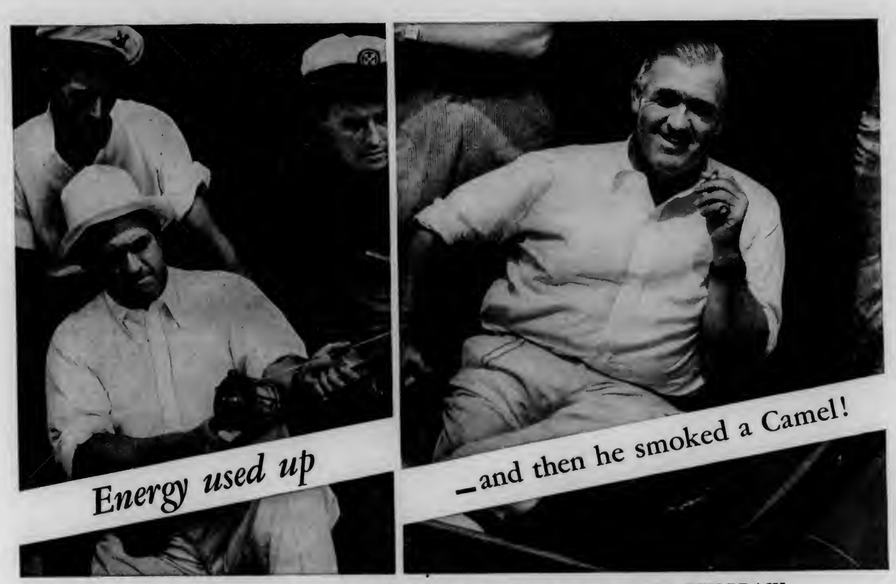
23. The Code permits the manufacturer to allow to chain stores trade discounts up to a maximum of those allowed to the accredited cigar jobbers. *These discounts are optional and need not be uniform.* However, the definition of "chain of stores," contained in Section 20 of Article II of the Code, should be strictly construed. For example, the Code Authority has ruled that several cigar stands in a single hotel or public building do not constitute a chain.

### Cash Discounts and Terms

24. The 2 per cent. discount allowed for cash is intended to be a maximum; the manufacturer may choose to allow less. Such cash discount may be allowed to chain stores, as well as to retailers, jobbers and sub-jobbers.

25. The Code permits the allowance of the cash discount for a period which shall be within the "established credit terms" of the manufacturer. It is contemplated that the manufacturer shall file with the Council the maximum length of time during which it is his custom to permit such discount to be taken. As a guide to the industry, the Code Authority strongly recommends that such time be limited to thirty days, with a possible allowance of not more than ten days for tenth of month payments.




*FROM LONG KEY TO NOVA SCOTIA, the famous sportsman and writer, REX BEACH, has matched his skill and vitality against the big game fish of the Atlantic! Below he tells how he lights a Camel after fighting it out with a heavy fish — and soon "feels as good as new."*

# REX BEACH EXPLAINS

## how to get back vim and energy when "Played Out"

"Any sportsman who matches his stamina against the fighting strength of a big game fish," says Rex Beach, "has to put out a tremendous amount of energy before he lands his fish. When I've gotten a big fellow safely landed my next move is to light a Camel, and I feel as good as new. A Camel quickly gives me a sense of well-being and renewed energy. As a steady smoker, I have also learned that Camels do not interfere with healthy nerves."

Thousands of smokers will recognize from their own experience what Mr. Beach means when he says that he lights a Camel when tired and "feels as good as new." And science adds confirmation of this refreshing "energizing effect."

That's why you hear people say so often: "Get a lift with a Camel." Camels aren't flat or "sweetish." Their flavor never disappoints. Smoke Camels steadily—their finer, MORE EXPENSIVE TOBACCOS do not get on the nerves!

CAMEL'S Costlier Tobaccos never get on your Nerves

● Camels are made from finer, MORE EXPENSIVE TOBACCOS —Turkish and Domestic—than any other popular brand.

"Get a LIFT with a Camel!"

Copyright, 1934, R. J. Reynolds Tobacco Company

## EMERGENCY IN YORK COUNTY

AN ORDER recognizing an emergency in the manufacture of hand-made two-for-five-cent cigars in the York County district of Pennsylvania has been signed by Division Administrator Armin W. Riley. The order approves the Code Authority's request for a higher rate of exemption from minimum wage provisions of the cigar manufacturing code applying to so-called "slow workers," or rollers of hand-made two-for-five-cent cigars in the York County district.

Under the exemption just approved, employers in this district would be required to pay rollers—a class of workers which heretofore has been exempted from the minimum wage provisions under a specific rate—not less than $3 per thousand, and bunchmakers not less than $1.20 per thousand. This new rate will be continued for a period of thirty days, "unless further extended by the Code Authority."

Final approval of the Code Authority's request followed a recommendation by the NRA Labor Advisory Board.

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## PEAK OVERTIME PERIOD SET

DIVISION Administrator Armin W. Riley has defined the peak period during which cigar manufacturing employees may be permitted to work overtime as August 15 to December 15, it was announced today. During any 13 weeks of that period productive employees may be permitted to work 45 hours per week, but not more than nine hours a day.

The Code for the cigar manufacturing industry provides that the maximum work-week shall be 40 hours, but that "during two peak seasons a year" overtime may be permitted "provided that the number of hours per week in each season shall be determined by the Code Authority, subject to the approval of the Administrator."

The Administration's order permits overtime only on condition that there is a shortage of suitable labor available for the employment of additional employees. in the community, or that productive facilities are not

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## REVENUE FOR CODE AUTHORITY

PROVISIONS for raising revenue for the purpose of meeting the expenses of the Cigar Manufacturers Code Authority were considered by that body at its last meeting, and the method decided upon has been submitted to Washington for approval. The method involves a system of stamps, which include the N. R. A. insignia, and the price, the cost of which is graded in accordance with whether the stamp is to be used upon Class A, B, C, D, or E cigars, with the exception that there are two stamps for Class A, one of which is intended for the manufacture of two for five cent cigars. Early approval of the plan is expected.

Due to the fact that the latter half of the year involves the rush season of cigar manufacturing, application has gone forward to the N. R. A. for a 45-hour, nine-hour a day, work week for productive employees, to be taken in any thirteen-week period between August 15th and December 15th. The same thing could be accomplished by working nine hours on Saturdays, but the workers prefer a five-day week of nine hours each. Rumors current the past week that such permission had already been granted are erroneous. However, it is believed that the application will be granted, but in the meantime manufacturers who operate on that basis until the N. R. A. has signified its approval are violating the Code.

Manufacturers in doubt as to Code requirements are requested to send in their requests for information to the Code Authority, care of D. S. Leidesdorf & Co., 125 Fourth Avenue, and not to any individual member of that body.

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## SCHWARZ AND HAST NAMED

THE two men selected for the Code Authority for the Cigar Manufacturing Industry to represent firms not members of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, are Arthur Schwarz, of the clear Havana cigar manufacturing firm of Max Schwarz, New York, who will represent non-member hand cigar manufacturers, and J. J. Hast, of the Standard Cigar Co., Pittsburgh, stogie manufacturer, who will represent the non-member machine manufacturers. This completes the personnel of the Cigar Code Authority, which consists of six manufacturers representing ACMLT members, two manufacturers representing non-members, one member to represent the Labor Advisory Board, and one appointed by the Administrator.

The Code Authority has mailed a simplified schedule of the wage and hour provisions for every classification of employees to all cigar manufacturers. This regards conditions to which the industry is subject under Articles III and IV of the Code. Along with this were mailed applications for copies of the labor provisions, which must be posted in every cigar factory. Anyone who has not received this material may write to Samuel L. Kuhn, Secretary of the Code Authority, Pershing Building, New York, and it will be forwarded immediately.

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## MONOPOLY IN DOMINICAN REPUBLIC

As reported by American Consul Walter S. Reineck and made public by the Tobacco Division, Department of Commerce, the outstanding event of economic importance in the Dominican Republic during July was the establishment of a tobacco monopoly, the scope of which has not as yet been definitely determined. It is probable, however, that it will control the purchase and sale of leaf tobacco and the manufacture of all tobacco products as well. It is understood that this monopoly will be allotted to private persons or a corporation on specifications and terms which have not as yet been made public.

The immediate effect of the establishment of the tobacco monopoly has been complete stagnation in the movement of the tobacco crop. Growers are holding off in the hope of higher prices, and middlemen, because of uncertainty regarding the possibility of freely disposing of any holdings which they may acquire. This tying-up of the main money crop will have a deleterious effect on commerce for a period at least, since the movement of the crop extends over about three or four months and involves approximately a million dollars. Collections will also probably be slowed up in the tobacco districts.

## FLUE-CURED ADJUSTMENTS

FLUE-CURED tobacco growers who have signed adjustment contracts and whose production in 1934 is less than their allotment, may, if they so elect, sell flue-cured tobacco grown by other contracting growers whose production exceeds their allotment, the Agricultural Adjustment Administration announced recently. An administrative ruling permitting such sales has been signed by Secretary of Agriculture Henry A. Wallace.

This decision was reached after a conference with an advisory group of flue-cured growers from all parts of the belt. At this conference, it developed that in some sections the production will be well below the quantity allotted. On some farms in each region, production may slightly exceed the allotment. Reports as to crop conditions from all sections indicate that the total production of contracting growers will be approximately fifty million pounds below 80 per cent. of the base production which will be the quantity allotted to contracting growers and the quantity for which tax payment warrants could be issued. The most recent estimate of the crop is 526 million pounds.

Flue-cured tobacco marketing and allotment cards are being distributed before the opening of the markets in all states in which flue-cured is grown. Each grower who has complied with the provisions of his contract is given a marketing card and allotment cards covering 80 per cent. of his base tobacco production. Tax payment warrants are issued as sales are made.

At the time each sale of tobacco is made, the number of pounds sold is entered on the allotment card. A contracting producer whose production exceeds 80 per cent. of his base production may arrange to sell all or a part of this excess production under the allotment card of another contracting grower whose production is less than his allotment. In such cases, tax payment warrants will be issued in the name of the owner of the marketing and allotment cards under which the excess tobacco is sold. Any arrangements made between contracting growers to utilize allotment cards other than their own for selling tobacco are private transactions. Contracting growers who produce in excess of their allotment will not be permitted to market this excess tobacco and pay the tax provided under the Kerr-Smith Tobacco Act, but may arrange to sell this tobacco under another contracting grower's allotment card.

Adjustment payments to be made under the voluntary contracts will be based on the number of pounds shown on the marketing card of each grower as having been sold regardless of whether all the tobacco sold under an individual marketing card was produced by the person to whom the card is issued. Each person to whom a marketing card is issued will be required to certify that all tobacco sold under it was produced under a tobacco production adjustment contract covering his own or some other farm.

Growers who have not signed contracts should make application for tax payment warrants at the office of their county agent. The Kerr-Smith Tobacco Act provides that in each county tax payment warrants, covering an amount of tobacco equal to 6 per cent. of the total number of pounds covered by warrants issued to contracting growers, may be issued to non-contracting growers who were unable to obtain an equitable base under a contract. Warrants issued under this provision may cover all or only a part of a grower's production.

## THE TOBACCO PRICE SITUATION

PRICES for flue-cured tobacco at auction warehouse markets, which opened for the 1934-35 season in Georgia on August 1st and in South Carolina on August 9th, showed marked improvement over the prices prevailing a year ago and averaged higher than during any season since 1927. Prices on the Georgia markets (type 14) averaged 22.6 cents per pound compared with 13.2 cents during the opening week of last year, 10.2 cents in 1932, and 7.3 cents in 1931, according to state reports. Press statements indicate the opening prices on the South Carolina and border belt markets (type 13) were at about the same level as those in Georgia.

Total supplies of flue-cured tobacco in the United States at the opening of markets this year, estimated at 1,300,000,000 pounds, showed a reduction of 118,000,000 pounds or 8.5 per cent. below the supplies of a year earlier and were 9 per cent. below the five-year average. Production was estimated as of August 1st at 527,000,000 pounds, which is 210,000,000 pounds smaller than the 1933 crop, and more than 100,000,000 below the world consumption of this tobacco. Stocks showed an increase during the year, as a result of the large crop of 1933, but this was more than offset by the reduction in the 1934 crop. More than 95 per cent. of the growers of flue-cured tobacco are reported to be under contracts with the Agricultural Adjustment Administration, which call for an aggregate reduction of nearly 30 per cent. from a base approximately equal to the last year's production. Weather conditions have been generally favorable and there has been only a moderate amount of drought damage, chiefly early in the season.

World consumption of flue-cured tobacco during the year ended June 30, 1934, showed little change from a year earlier. Domestic consumption increased nearly 5 per cent. during the year, chiefly because of the increase in the use for cigarettes, but foreign consumption declined slightly. About 30 per cent. of the total world consumption of flue-cured tobacco is used in cigarettes in the United States. Approximately 60 per cent. of the consumption is in foreign countries, chiefly in the form of cigarettes and smoking mixtures.

Exports during 1933-34 totaled 380,000,000 pounds (farm sales weight), which represents an increase of 22 per cent. over the exports of a year earlier and 14 per cent. over two years earlier, but is about 10 per cent. below the five-year average. The quantity exported last year exceeded foreign consumption for the first time since 1930-31.

The 1934 flue-cured crop is being marketed without the aid of a marketing agreement. According to reports of the Agricultural Adjustment Administration, when the domestic buyers were invited to enter into a marketing agreement for this crop, as was done in the case of the 1933 crop, the buyers stated that, owing to the improved supply situation, they were confident the price would average "above parity" without any such action being taken. Opening prices for the 1934-35 season were about 50 per cent. above parity.



Cigars are the most pleasurable and economical form of smoking.

# BAYUK BULLETIN

NRA MEMBER U.S. WE DO OUR PART

VOLUME II. SEPTEMBER 1, 1934 NUMBER 16

## PHULOFAX
### (*The Retailer's Friend*) SAYS

*Dear Phil:*

Sometime ago, I remember an article written on "THINK BIG" . . . it was great stuff . . . why not get hold of it and reproduce in your column? Incidentally, who wrote "THINK BIG?"

(*Signed*) M. O. B.

O.K., M. O. B. The article was written by a close friend of mine, Frank Trufax, who permits a reprint as below:

THINK BIG!

THINK BIG! Your brain cells are elastic.

THINK BIG of the opportunities for success—then *dig*.

THINK BIG in Dollars and Sense, not in pennies and piffle.

THINK BIG of the joys in your job, not of the trials in your task.

THINK BIG! A vivid imagination is the advance-scout of actual accomplishment.

THINK BIG! You get what you go after if you *think* it *big* enough to have.

THINK BIG! Big success is never a surprise to a *big* man—he "think-ed" his way into being *big*.

THINK BIG! Giant desires and pigmy efforts equal *bunk*. *Big* ambitions plus *big* endeavors equal *big* Success.

THINK BIG! Big thoughts do not grow a *big* Head but a *big* Head denotes absence of *big thoughts*.

THINK BIG! The Empire State Building was not conceived by a bungalow-brained man. He thought *big* and he Built *big*.

THINK BIG of your own faults and correct them. *Think big* of the good points of others and imitate them.

THINK BIG of the power of your Smile to defy defeat. *Think big* of the efficiency of your Helping Hand to assist the aimless.

THINK BIG in preparation for the ruts in the road before you decide on your journey, but when you *do* start, *think big* only of the velocity of your vehicle of iron determination and the glittering goal that awaits you.

THINK BIG—

WORK BIG and

WIN BIG ! ! !

Phil M. Phulofax*

D. B. I.

*Associated with BAYUK CIGARS, INC., Philadelphia—Makers of fine cigars since 1897

## A 100 YEAR OLD CIGAR STORE

### Present Proprietress in Business 56 Years

On Main Street in Roslyn, L. I. there is a little shop which has stood there for a hundred and fifty years. And for 102 of those years it has been a tobacco shop.

On Main Street it is 1934. You can tell it by the 1934 models of the cars whizzing by. But open the door of this little shop, with its jangling bell, and you step back into 1884 or even 1834. Everything about the shop is decidedly old fashioned, including the proprietress, a motherly old lady, Mrs. Alexander Kilpatrick, who with her late husband took over the business 56 years ago.

Your grandfather would recognize the fixtures as typical of the cigar store furnishings of his day. Not electricity but oil lamps supply the illumination and a tin cup does duty as a cash register.

On the walls still hang posters advertising brands of tobacco long since dead and gone. One of the posters which strikes the eye recommends "Honest Long Cut," and depicts a Wild West looking gentleman in a wide brimmed hat seated at a table from under which projects the handle of a gun.

Yes, decidedly old fashioned is Mrs. Kilpatrick's shop — as old fashioned as a Currier and Ives print or a high wheeled buggy. But wouldn't you like to drop in just such an old fashioned shop for your favorite cigar once in a while?

## TO THE LADIES!

If you want to produce a play that will run 1000 nights on Broadway or make a motor car that will outsell Mr. Ford's, make that play or that car one that the women will get behind and boost. In case it's any news to you, the hand that wields the lipstick rules the world—and if Mr. Roosevelt thinks he's running the United States of America he's mistaken. The real bosses of the good old U. S. A. are some 20,000,000 women more or less.

If the women of America should agree that they admire men with great big bushy beards, Mr. Gillette and his fellow manufacturers of safety razors would fold up as neatly as so many umbrellas. If the women of America should agree that they like to see their gentlemen friends smoking cigars, there would be no need of a C. B. A. The job of boosting cigars would be taken over by 20,000,000 active boosters who know their stuff backward.

And that brings us around to what we wanted to say in the first place.

If some genius will discover a way to line up the feminine vote behind cigars, he will deserve a monument at the hands of a grateful industry.

Maybe one way to feminine approval would be to induce a few of the current great lovers of the films to appear on the screen gracefully smoking a cigar. If you can think of a better one, go to it. The Bayuk Bulletin will donate with enthusiasm the space to give national publicity to your idea.

## A UNIQUE CIGAR BAND COLLECTION

The ambition of most collectors, whether of rare books, stamps or cigar bands, is to gather together as many *different* varieties as possible. But Myers-Cox, cigar distributors of Des Moines, report a collector of cigar bands in Fort Madison, Iowa, who is building a collection made up entirely of the bands from one popular brand of cigars. This collector now has more than 10,000 of these bands which he has accumulated in the past few years.

## WOULD YOU LIKE A 50% SALES INCREASE?

### *Try J. L. SIMMS' Recipe*

J. L. SIMMS, who sells for a Peoria cigar jobber, has a nifty little scheme for boosting the dealer's order by a neat 50 per cent.

J. L. waltzes in on a customer, whom he believes could sell considerably more of J. L.'s brand than he does.

"How many Usmokems today?" he asks the customer.

"Two hundred," replies the man behind the counter.

"Two hundred Usmokems," J. L. writes the order in his book. Then he is struck by a happy thought. "Look here, Mr. X. I'll bet you can sell at least 300 cigars between now and my next call. Tell you what—let me deliver you, or say *spot* you, an extra hundred. Then let me fix up a special little display on the case here. If you don't sell the entire three hundred I'm a Chinaman. And if you do—there's a fifty per cent bigger sale for you and a fifty per cent bigger sale for me. What do you say?"

According to J. L., lots and lots of his customers say yes. And when you consider that J. L. carries a mighty popular brand and gets a little extra display on it, it isn't surprising that he is building up some nice increases for himself and his customers.

**What's everybody's business is nobody's business. And since it's everybody's business who's in the cigar business to boost cigars, nobody made it their business to do any boosting. Therefore the C. B. A. What about joining this band of cigar boosters—and when you've joined, boosting to beat the band?**

BAYUK BRANDS BUILD BUSINESS

**'Bayuk Phillies'**
(BAYUK PHILADELPHIA PERFECTO)
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

# Cigarettes Up, Cigars Down, in July

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau for the information of representatives of the several industries, trade journals, etc. (Figures for July, 1934, are subject to revision until published in the annual report):

| *Products* | —*July*— | |
|---|---|---|
| Cigars (large) | *1934* | *1933* |
| Class A .....No. | 325,599,660 | 346,355,210 |
| Class B .....No. | 4,463,393 | 2,110,133 |
| Class C .....No. | 44,825,090 | 48,096,908 |
| Class D .....No. | 2,876,568 | 3,672,103 |
| Class E .....No. | 290,873 | 277,099 |
| Total ..... | 378,055,584 | 400,511,453 |
| Cigars (small) .....No. | 13,471,720 | 16,343,000 |
| Cigarettes (large) ..No. | 226,050 | 190,000 |
| Cigarettes (small) ..No. | 11,355,398,860 | 9,526,101,183 |
| Snuff, manuf'd. ...Lbs. | 2,773,989 | 2,805,228 |
| Tobacco, manuf'd. .Lbs. | 25,917,013 | 25,977,179 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*July*— | |
|---|---|---|
| Cigars (large): | *1934* | *1933* |
| Class A .....No. | 6,587,900 | 6,253,325 |
| Class B .....No. | 203,050 | 905,000 |
| Class C .....No. | 45,050 | 113,000 |
| Class D .....No. | 500 | 500 |
| Total ..... | 6,836,500 | 7,271,825 |
| Cigars (small) .....No. | 350,000 | 200,000 |
| Cigarettes (large) ..No. | 100,000 | 245,000 |
| Cigarettes (small) ..No. | 600,400 | 1,117,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*July*— | |
|---|---|---|
| Cigars (large) | *1934* | *1933* |
| Class A .....No. | 16,307,220 | 14,125,880 |
| Class B .....No. | 27,580 | 12,727 |
| Class C .....No. | 11,600 | 30,828 |
| Class D .....No. | ..... | 600 |
| Total ..... | 16,346,400 | 14,170,035 |
| Cigarettes (small) ..No. | 120,990 | 2,400 |
| Tobacco manuf'd. ..Lbs. | 8 | 5 |

## INTERNAL REVENUE COLLECTIONS FOR JULY

| *Source of revenue* | *1934* | *1933* |
|---|---|---|
| Cigars ..... | $966,306.42 | $1,023,442.59 |
| Cigarettes ..... | 34,068,307.26 | 28,579,840.52 |
| Snuff ..... | 499,318.05 | 504,941.07 |
| Tobacco, chewing and smoking ..... | 4,665,394.44 | 4,676,012.00 |
| Cigarette papers and tubes ..... | 120,878.96 | 77,559.59 |
| Miscellaneous, relating to tobacco ..... | 2,405.80 | 10.00 |

**July Cigar Withdrawals 1920 to 1932 Inclusive**

| | | | |
|---|---|---|---|
| July, 1920 .. | 678,751,956 | July, 1927 .. | 561,199,298 |
| July, 1921 .. | 564,604,797 | July, 1928 .. | 558,205,683 |
| July, 1922 .. | 585,874,114 | July, 1929 .. | 589,282,068 |
| July, 1923 .. | 589,176,020 | July, 1930 .. | 532,805,120 |
| July, 1924 .. | 595,063,302 | July, 1931 .. | 478,900,849 |
| July, 1925 .. | 575,822,936 | July, 1932 .. | 361,240,267 |
| July, 1926 .. | 568,553,475 | | |

## PROCESSING TAX RETURNS

Detail of collections from processing and related taxes proclaimed by the Secretary of Agriculture under authority of the Agricultural Adjustment Act (Public—No. 10—73d Congress) approved May 12, 1933.

| *Commodity* | *Month of July, 1934* |
|---|---|
| Tobacco (tax effective October 1, 1933) | |
| Processing tax ..... | $2,358,161.25 |
| Import compensating taxes ..... | 40,888.80 |
| Floor tax, other than retail dealers. | 1,607.01 |
| Floor tax, retail dealers ..... | 3,157.59 |
| Total, tobacco ..... | $2,403,814.65 |

## BETTER PRICES FOR TOBACCO

PRICES now being paid to South Carolina tobacco growers are much higher than a year ago, and above prices paid on the opening day of the market on August 9, according to the Tobacco Section, Bureau of Agricultural Economics. Reports for sales on August 15 show grade prices as follows: C3L-$38.10 per hundred pounds compared with $34.50 on the opening day and $28.30 last year. C4L-$33.90 compared with $32.50 on the opening day and $24.30 last year. Similar comparisons for other grades are: C5L-$32.10 compared with $30.80 and $20.20; X1L-$31.20 against $30.20 and $19.20; X2L-$29.80 against $27.80 and $16.40; X3L-$24.90 against $22.30 and $12.90; X3F-$25.60 against $21.50 and $13.50.

Priming grades show similar comparisons: P1L-$30.70 against $29.90 and $16.50; P2L-$28.90 against $24.70 and $15.10; P3L-$24.50 against $18.80 and $11.40; P4L-$17 against $10.60 and $8.10.

Market offerings have consisted mostly of cutters and lugs, including primings. Very little tobacco of the "leaf" grades has as yet been delivered. Leaf grades, belonging to the B group under the United States standards, are not generally used in the manufacture of domestic cigarettes, and may not command as high a range of prices as the C and X groups, as quoted, says the bureau. Bureau officials are of the opinion, however, that the heavy leaf grades will be less abundant in proportion to the total size of the flue-cured crop, than usual, and that this relative scarcity may have material influence on prices paid for heavy leaf in comparison with the cigarette grades.

*The Tobacco World*

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

A LITTLE difficulty is being experienced in the settlement of complaints alleging violations of wage and hour provisions of recovery codes, according to officials of the National Recovery Administration, and business men generally are credited with being not only willing, but anxious to comply with the agreements.

Paying tribute to the co-operation which is being given by industry in the settlement of labor controversies, the administration has announced that in one two-weeks period 990 cases were settled by state agencies without reference to Washington.

In most of the cases, it was declared, the alleged violations were found to be merely misunderstandings on the part of the employers of their obligations under codes.

The 990 cases settled involved a total of 4300 employees to whom restitution payments amounting to $106,732 were made by employers, it was said.

Figures compiled by the compliance division of the administration disclose that since the first code became effective in July, 1933, to the close of the fiscal year on June 30th, last, when more than 500 agreements were in operation, less than 63,200 complaints of violations had been filed against the nearly 3,000,000 employers of more than 24,000,000 workers in the United States. Duplications account for nearly half of this total and investigation revealed that from 20 to 30 per cent. of all the complaints received were either the work of cranks or were unfounded.

ORGANIZED labor, opposed to reductions in tariff rates, may do much to nullify President Roosevelt's plans for reciprocal trade agreements with other countries, it is indicated by recent developments. Labor employed in industries which will suffer from tariff cuts under such agreements is said to be planning to make alliances with other groups of organized workers to prevent foreign products coming in under reduced rates from being marketed.

A preliminary test of the plan some time ago resulted in labor joining with farmers in a move to require the use of American grain in the production of beer and liquors, and brewery workers declined to aid in the pouring of beer into barrels made abroad.

Representatives of some of the unions have made it known that the workers in their organizations will not handle imported products coming into competition with the American merchandise they produce.

Refusal of labor to co-operate in the Administration's plans, it is informally admitted, might be more potent in nullifying the reciprocal agreements than all the protests of the manufacturers and producers who would be affected by duty reductions.

Restoration of the two-cent postage rate in the not distant future is seen in the steadily improving condition of the postal service, which for some time now has been on a self-supporting basis.

Anticipating materially increased revenues as business improved, Congress in the last revenue act gave the President authority to abandon the present three-cent rate whenever, in his opinion, the condition of the Post Office Department warranted such action.

In line with his predecessors, Postmaster General Farley is opposed to turning the postal service into a revenue producer for the general Treasury, although insisting that it should pay its own way.

While some political observers believe that restoration of the two-cent rate just before the fall elections would add to the prestige of the Administration, it is more generally believed that any action taken will come toward the end of the year when seasonal influences upon postal revenues can be observed and an opinion reached as to the trend of future receipts.

Serving notice that its operations will not be a repetition of the sensational investigations and reports of the National Recovery Review Board headed by Clarence Darrow, the Industrial Appeals Board of the National Recovery Administration last month began its study of complaints from small businesses against alleged discriminatory provisions of recovery codes and unfair acts of code authorities or recovery administration officials.

But few more than a dozen out of the scores of complaints which have already reached the board have been found to merit serious consideration, it was said by officials. Many of the complaints were based on apparent misunderstandings of code provisions easily cleared up by correspondence or conference. Others revealed that the complainants had not yet availed themselves of their right to seek redress through already established agencies such as the deputy administrator or their own code authority.

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway New York, N. Y. ....President
CLIFFORD N. DAWSON, Buffalo, N. Y. ..... Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
A. STERNBERG, Newark, N. J. ..... Secretary

RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

MORRIS LEVITONE ..... President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. ..... Secretary

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

E. ASBURY DAVIS, Baltimore, Md. ..... President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN ..... President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. ..... Secretary



## News from Congress

*(Continued from Page 15)*

The policy of the board, it was explained by Amos J. Peaslee, chairman, will be to "deal primarily with individual cases, and to hear only cases where a petitioning or complaining party has previously made reasonable efforts to pursue his rights and remedies within existing established agencies, as, for example, the code authority and the appropriate division of the National Recovery Administration having jurisdiction over the particular code involved.

"The board," he asserted, "could not, and does not, in any way deprive any petitioner or other interested party of any concurrent or independent rights which he may have in the courts or elsewhere, it but may, it is hoped, through the review and recommendations of an independent and impartial board, correct misunderstandings and inequities which arise, and render unnecessary in many instances recourse to other governmental agencies.

"The board is not a forum for a general repetition of arguments respecting the forms of codes or code provisions which have already been discussed in public hearings; but its jurisdiction does permit it to hear upon appeal evidence respecting the actual operation in practice of any particular code provision and to recommend, if it deem desirable, changes in such provisions."

### AMERICAN TOBACCO IN BRITAIN

In the first six months of 1934, imports of American tobacco into British markets totaled 49,146 hogsheads, namely, 40,759 Virginia leaf, 7101 Virginia strips, 753 western leaf, 521 western strips, and 12 Maryland, etc. In the first six months of 1933, the aggregate reached 52,959 hogsheads, comprising 47,140 Virginia leaf, 2918 Virginia strips, 1230 western leaf, 1671 western strips. Deliveries in the first half of 1934 amounted to 61,810 hogsheads, against 47,499 hogsheads in the first six months of 1933, and consisted of 51,390 Virginia leaf (37,617 a year ago); 7593 Virginia strips (7144); 1488 western leaf (1313); 1322 western strips (1407); and 17 Maryland, etc. (18). Stocks on June 30, 1934, stood at 150,162 hogsheads, namely, 105,790 Virginia leaf, 34,685 Virginia strips, 3298 western leaf, 6376 western strips, and 13 Maryland, etc. At the same date last year, stocks reached 175,016 hogsheads, consisting of 122,101 Virginia leaf, 40,174 Virginia strips, 4816 western leaf, 7905 western strips, and 20 Maryland, etc. The June market continued quiet. Imports totaled 8880 hogsheads, and deliveries 17,458 hogsheads. (Alfred Nutting, Clerk, American Consulate General.)

### MAKING 'EM AT FAIR

The exhibit of the General Cigar Company at the Chicago World Fair shows cigars actually produced from the green leaf stage to the finished product, and York refrigerating equipment plays an important part in processes essential to the proper curing of the tobacco leaf. At this exhibit are installed two York Freon 4 x 4 compressors of 5 HP., using 280 feet of coils for a spray type unit.

NBC
RED NETWORK
9:30-10 P. M., E. D. T.
New York ..... WEAF
Hartford ..... WTIC
Providence ..... WJAR
Worcester ..... WTAG
Portland ..... WCSH
Philadelphia ..... WFI-WLIT
Schenectady ..... WGY
Buffalo ..... WBEN
Pittsburgh ..... WCAE
8:30-9 P. M., E. S. T.
Baltimore ..... WFBR
Washington ..... WRC
Cleveland ..... WTAM
Detroit ..... WWJ
Cincinnati ..... WSAI
8:30-9 P. M., C. D. T.
Chicago ..... WMAQ
7:30-8 P. M., C. S. T.
St. Louis ..... KSD
Des Moines .. WOC-WHO
Omaha ..... WOW
Kansas City ..... WDAF

# Cigars Up Nearly 163 Million in 7 Months

| | 1st 7 Mos. Cal. Yr. 1934 | | —Decrease +Increase Quantity |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| United States .. | 2,155,469,850 | + | 105,127,860 |
| Puerto Rico .... | 32,136,320 | + | 1,756,000 |
| Philippine Is. .. | 128,332,505 | + | 49,122,005 |
| Total ..... | 2,315,938,675 | + | 156,005,865 |
| Class B— | | | |
| United States .. | 25,633,076 | + | 10,260,536 |
| Puerto Rico .... | 838,450 | — | 1,056,600 |
| Philippine Is. .. | 254,407 | + | 126,400 |
| Total ..... | 26,725,933 | + | 9,330,336 |
| Class C— | | | |
| United States .. | 295,747,436 | + | 1,072,006 |
| Puerto Rico .... | 401,150 | + | 109,120 |
| Philippine Is. .. | 92,562 | — | 21,260 |
| Total ..... | 296,241,148 | + | 1,159,866 |
| Class D— | | | |
| United States .. | 20,135,640 | — | 3,168,368 |
| Puerto Rico .... | 1,500 | + | 1,000 |
| Philippine Is. .. | 1,250 | — | 76 |
| Total ..... | 20,138,390 | — | 3,167,444 |
| Class E— | | | |
| United States .. | 1,712,758 | — | 436,050 |
| Puerto Rico .... | ..... | | ..... |
| Philippine Is. .. | 755 | + | 534 |
| Total ..... | 1,713,513 | — | 435,516 |
| Total All Classes: | | | |
| United States .. | 2,498,698,760 | + | 112,855,984 |
| Puerto Rico .... | 33,377,420 | + | 809,520 |
| Philippine Is. .. | 128,681,479 | + | 49,227,603 |
| Grand Total ... | 2,660,757,659 | + | 162,893,107 |
| Little Cigars: | | | |
| United States .. | 135,516,653 | + | 19,370,600 |
| Puerto Rico .... | 1,401,000 | — | 403,000 |
| Philippine Is. .. | ..... | | ..... |
| Total ..... | 136,917,653 | + | 18,967,600 |
| Cigarettes: | | | |
| United States .. | 73,852,265,730 | + | 6,616,951,410 |
| Puerto Rico .... | 2,414,250 | + | 417,650 |
| Philippine Is. .. | 1,448,520 | + | 616,350 |
| Total ..... | 73,856,128,500 | + | 6,617,985,410 |
| Large Cigarettes: | | | |
| United States .. | 87,168,988 | + | 85,700,953 |
| Puerto Rico .... | 340,000 | — | 95,000 |
| Philippine Is. .. | 200 | — | 1,737 |
| Total ..... | 87,509,188 | + | 85,604,216 |
| Snuff: | | | |
| All U. S. (lbs.).. | 22,482,914 | + | 1,354,173 |
| Tobacco (mfd., lbs.): | | | |
| United States .. | 182,618,917 | + | 2,233,425 |
| Philippine Is. .. | 23 | — | 80 |
| Total ..... | 182,618,940 | + | 2,233,345 |

**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

Name .....

Street No. .....

P. O. ..... State .....

Established 1886

*"BEST OF THE BEST"*

OPTIMO CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

**Make tobacco mellow and smooth in character and impart a most palatable flavor**

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

**Write for List of Flavors for Special Brands**

**BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS**

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### CIGARS WANTED

I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

### FOR RENT

30,000 SQUARE FEET DAY-LIGHTED FLOOR SPACE IN A 3-story and concreted basement building adjacent to P. R. R. freight station in York, Pa. Building of sufficient strength to accommodate at least 50 cigar-making machines per floor. See A. Kauffman & Bro., York, Pa., for inspection and details.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

**Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.**

**Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.**

### NEW REGISTRATIONS

**TATNUCK:—46,350.** For cigars. Protective Union, Inc., Worcester, Mass., August 3, 1934.

**CATHCORT:—46,352.** For all tobacco products. Garcia Grande Cigars, Inc., New York, N. Y., August 9, 1934.

### TRANSFERS

**RAJAH:—20,815** (U. S. Tobacco Journal). For cigars. Registered January 18, 1899, by The Calvert Litho. Co., Detroit, Mich. Through mesne transfers acquired by the Odin Cigar Co., Detroit, Mich., and re-transferred to the Masterpiece Cigar Co., Grand Rapids, Mich., June 11, 1934.

**LURIDO:—28,879** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered August 21, 1903, by Geo. Schlegel, New York, N. Y. Through mesne transfers acquired by Meritas Commercial Co., Inc., New York, N. Y., and re-transferred to Meritas Cigar Co., New York, N. Y., August 14, 1934.

**MARILYN MILLER:—41,543** (Tobacco Merchants' Association). For all tobacco products. Registered January 2, 1920, by Bernard Lett, Boston, Mass. Through mesne transfers acquired by Meritas Commercial Co., Inc., New York, N. Y., and re-transferred to Meritas Cigar Co., New York, N. Y., August 14, 1934.

**WILL-O-WISP:—41,541** (T. M. A.). For all tobacco products. Registered December 1, 1919, by Hartmann Pacific Co., Inc., New York, N. Y. Through mesne transfers acquired by Meritas Commercial Co., Inc., New York, N. Y., and re-transferred to Meritas Cigar Co., New York, N. Y., August 14, 1934.

**HOOFFSTETTER'S MILD IMPORTED ROYAL BLUNTS:—45,960** (T. M. A.). For all tobacco products. Registered November 19, 1931, by Meritas Commercial Co., Inc., New York, N. Y. Transferred to Meritas Cigar Co., New York, N. Y., August 14, 1934.

**FERBSTEIN'S MILD IMPORTED ROYAL BLUNTS:—45,959** (T. M. A.). For all tobacco products. Registered on November 19, 1931, by Meritas Commercial Co., Inc., New York, N. Y. Transferred to Meritas Cigar Co., New York, N. Y., August 14, 1934.

**ALCORA:—32,316** (Tobacco Leaf). For cigars and cigarettes. Registered October 17, 1906, by Bernard Lett & Co., Boston, Mass. Through mesne transfers acquired by Meritas Commercial Co., Inc., New York, N. Y., and re-transferred to Meritas Cigar Co., New York, N. Y., August 14, 1934.

**LOVE DALE:—21,782** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered November 23, 1899, by American Litho. Co., New York, N. Y. Transferred to Meritas Commercial Co., Inc., New York, N. Y., and re-transferred to Meritas Cigar Co., New York, N. Y., August 14, 1934.

**CLAY MONTAGUE:—40,606** (T. M. A.). For cigars, cigarettes, cheroots and tobacco. Registered April 22, 1918, by Heywood, Strasser & Voigt Litho. Co., New York, N. Y. Through mesne transfers acquired by Karl O. Nesslinger, New York, N. Y., and re-transferred to El Oriente Cigar Co., New York, N. Y., August 14, 1934.

**HILIAN:—43,602** (T. M. A.). For cigars. Registered November 13, 1923, by C. H. Hilbert & Co., New York, N. Y. Through mesne transfers acquired by Karl O. Nesslinger, New York, N. Y., and re-transferred to El Oriente Cigar Co., New York, N. Y., August 14, 1934.

**LA FLOR DE FRANCISCO BOLANO Y CA:—21,695** (Tobacco World). For cigars, cigarettes, cheroots and tobacco. Registered February 20, 1911, by F. Bolano & Co., Chicago, Ill. Through mesne transfers acquired by Karl O. Nesslinger, New York, N. Y., and re-transferred to El Oriente Cigar Co., New York, N. Y., August 14, 1934.

**LA FLOR DE F. BOLANO Y CA:—21,696** (Tobacco World). For cigars, cigarettes and tobacco. Registered February 20, 1911, by F. Bolano & Co., Chicago, Ill. Through mesne transfers acquired by Karl O. Nesslinger, New York, N. Y., and re-transferred to El Oriente Cigar Co., New York, N. Y., August 14, 1934.

SEPTEMBER 15, 1934

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VOLUME 54 No. 18

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
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**AUTOKRAFT BOX CORPORATION**

LIMA OHIO

A Nation Wide Service

*York, Pa.*
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*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol. 54 SEPTEMBER 15, 1934 No. 18


THE LIFTING of the stay which has been holding up the operation of the merchandising provisions since the Cigar Manufacturers' Code was approved, seems to be the last step in the move to restore the cigar business to its former high position of a dignified trade, minus the price-cutting, chiseling and other undesirable features which for a long time threatened to bring it to disrepute. Members of the industry in all departments—manufacturing, wholesaling and retailing—have cause to render all praise and all thanksgiving to Frank Will and the other zealous laborers on the Merchandise Committee for their success in finally having these profit-assuring provisions incorporated in the code of fair practice governing the sale of tobacco products. The industry is to be congratulated.

OUR INDUSTRY continues to be one of the leading users of the air for advertising purposes. From the Trade News Service of the National Broadcasting Company we have received tables showing the ranking of twenty-four industries according to amount of network broadcast advertising for the first six months of 1934, as well as for complete years back to and including 1928. In that year cigars, cigarettes and tobacco were tenth in the list. In 1929 they moved up to fifth place; in 1930 into fourth; and the industry was in third place in 1931 and 1932. Dropping back into fourth place last year, the industry returned to the third position during the first six months of this year. Comparing the expenditures for the first six months of last year and this year, cigars, cigarettes and tobacco are reported to have spent $2,068,181 in 1934, as contrasted with $1,746,934 in 1933, an increase of $321,247, or 18.4 per cent. As the fellow said, the programs certainly ought to be good, with the network expenditures running into important money like that.

THAT'S a swell idea of Joseph Kolodny's, sending out those cartoons from which even he who runs may read the dire results from the violation of the industry's code of fair practices. The first shows a rat gnawing at the foundations of the trade. The rat is labeled "The Chiseler" and the cartoon is entitled "Exterminate Him." Mr. Kolodny, who, as everyone knows, is chairman of the Wholesale Tobacco Code Authority, promises other cartoons depicting the code violator as a chiseler.

"It is the intention of the National Association of Tobacco Distributors, Inc., to circulate these cartoons widely through its many jobber members, as through as many other outlets as it is possible to reach.

"It is proposed that these circulars be distributed through the National Association members and wholesalers and retailers who care to add their aid to this movement through mailings, inserts and general distribution.

"Cost of these circulars will be determined by the quantity ordered through the association. The maximum price, however, will not exceed $4.50 per thousand, and may be brought down to as low as $3.50, depending upon the total number ordered for distribution. All these circulars will be distributed C. O. D. in accordance with the ruling of the National Association that no merchandise may be bought for resale. The association is pleased to act as a clearing house for this distribution, in order that this evil may rapidly be eliminated, and so that such distribution may be made at the lowest possible cost."

HOW to get the best out of a cigarette" is another of the interesting chapters in Otis Allen Kenyon's booklet, "Theory and Facts of Cigarette Smoking," which we mentioned in our last issue. "There is one best way," the author writes, "to smoke a cigarette in order to get the full flavor and the least amount of irritation. There are a few people in the world who have learned by experience and supersensitive taste how to smoke any given cigarette and get the best results. But now that science has explained the causes of irritation, it is easy to prescribe for everybody a method of smoking which will furnish a maximum of pleasure with a minimum of unpleasant after-effects.

"For any given cigarette, the one great thing to watch is the temperature of the smoke, which in general is determined by the following things: (1) the method of lighting; (2) the rate of smoking; (3) holding the cigarette with the lighted end up; (4) the unburned length of the cigarette.

"Therefore, the simple rule for getting the most pleasure out of smoking is to light at low temperature, smoke slowly, hold the lighted end up when not smoking, and stop when the cigarette is between one-half and two-thirds consumed.

"Behind these simple rules within the control of the smoker, the temperature of the smoke is affected by the ingredients, such as tobacco, paper, and flavoring material. It also is greatly affected by the tightness of rolling—the looser the cigarette, the hotter the smoke."

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Wage-earners Increase in Cigar Plants

WAGE-EARNER employment in establishments engaged primarily in the manufacture of cigars in the United States increased from March to September, 1933, according to a report compiled from a preliminary tabulation of data collected in the Biennial Census of Manufactures taken in 1934, released today by Director William L. Austin, Bureau of the Census, Department of Commerce. The figures for the final months of the several quarters of the year show 49,388 wage earners at work in March, 54,090 in June, 57,625 in September, and 54,686 in December.

Cigars to the value of $135,576,475 (at f. o. b. factory prices) were made by these establishments in 1933. This was a decrease of 39.8 per cent. as compared with $225,149,342 reported for 1931, the last preceding census year.

Statistics for 1933, with comparative figures for 1931, are given in the following table. All figures for 1933 are preliminary and subject to revision.

**TABLE 1—SUMMARY FOR THE INDUSTRY: 1933 AND 1931**

| | 1933 | 1931 | Per cent. of increase (+) or decrease (—) |
|---|---|---|---|
| Number of establishments | 76 | 92 | * |
| Wage earners (average for the year)[1] | 3,408 | 3,777 | —9.8 |
| Wages[2] | $1,767,215 | $2,564,496 | —31.1 |
| Cost of materials, fuel, and purchased electric energy[2] | $2,190,183 | $3,472,942 | —36.9 |
| Products, total value[2] | $5,869,940 | $8,859,440 | —33.7 |
| Cigar boxes: | | | |
| Number[3] | 65,340,435 | 86,140,188 | —24.1 |
| Value[3] | $5,612,502 | $8,507,852 | —34.0 |
| Other products, value | $256,174 | $351,322 | —27.1 |
| Receipts for custom and contract work | $1,264 | $266 | +375.2 |
| Value added by manufacture[4] | $3,679,757 | $5,386,498 | —31.7 |

*Per cent. not computed where base is less than 100.

[1] Not including salaried officers and employees. Data for such officers and employees will be included in a later report. The item for wage earners is an average of the numbers reported for the several months of the year. In calculating it, equal weight must be given to full-time and part-time wage earners (not reported separately by the manufacturers), and for this reason it exceeds the number that would have been required to perform the work done in the industry if all wage earners had been continuously employed throughout the year. The quotient obtained by dividing the amount of wages by the average number of wage earners cannot, therefore, be accepted as representing the average wage received by full-time wage earners. In making comparisons between the figures for 1933 and those for 1931, the possibility that the proportion of part-time employment was larger in one year than in the other should be taken into account.

[2] Manufacturers' profits or losses cannot be calculated from the census figures because no data are collected for certain expense items, such as interest, rent, depreciation, taxes, insurance, and advertising.

[3] Does not include data for cigar boxes made as secondary products by establishments engaged primarily in the manufacture of other commodities.

[4] Value of products less cost of materials, fuel, and purchased electric energy.

# Cigar Box Employment Grows Steadily

WAGE-EARNER employment in the manufacture of cigar boxes increased from quarter to quarter during 1933, according to a preliminary report compiled from data collected in the Biennial Census of Manufactures taken in 1934, released today by Director William L. Austin, Bureau of the Census, Department of Commerce. The figures for the final months of the several quarters are as follows: March, 3207; June, 3349; September, 3520; December, 3577. The trend from March to September was in line with that shown by the figures for 1931, the last preceding census year, but the upward movement from September to December in 1933 was in contrast with that which took place during the same period in 1931, when employment dropped from 3836 in September to 3696 in December.

The production of cigar boxes in 1933, 65,340,435, shows a decrease of 24.1 per cent. as compared with 86,140,188 reported for 1931. The report shows a somewhat higher rate of decrease in value, however—34 per cent. from $8,507,852 in 1931 to $5,612,502 in 1933.

This industry, as classified for census purposes, embraces all establishments engaged primarily in the manufacture of cigar boxes made in whole or in part from wood as a material.

Statistics for 1933, with comparative figures for 1931, are given in the following table. All figures for 1933 are preliminary and subject to revision.

**TABLE 1—SUMMARY FOR THE INDUSTRY: 1933 AND 1931**

| | 1933 | 1931 | Per cent. of decrease (—) |
|---|---|---|---|
| Number of establishments | 646 | 1,063 | —39.2 |
| Wage earners (average for the year)[1] | 53,684 | 68,182 | —21.3 |
| Wages[2] | $29,557,579 | $46,074,013 | —35.8 |
| Cost of materials, containers, fuel, and puchased electric energy[2] | $71,485,301 | $119,295,138 | —40.0 |
| Products, total value[2] | $137,264,322 | $227,348,832 | —39.6 |
| Cigars | $135,576,475 | $225,149,342 | —39.8 |
| Other products | $1,687,847 | $2,199,490 | —23.3 |
| Value added by manufacture[4] | $65,779,021 | $108,053,694 | —39.1 |

[1] Not including salaried officers and employees. Data for such officers and employees will be included in a later report. The item for wage earners is an average of the numbers reported for the several months of the year. In calculating it, equal weight must be given to full-time and part-time wage earners (not reported separately by the manufacturers), and for this reason it exceeds the number that would have been required to perform the work done in the industry if all wage earners had been continuously employed throughout the year. The quotient obtained by dividing the amount of wages by the average number of wage earners cannot, therefore, be accepted as representing the average wage received by full-time wage earners. In making comparisons between the figures for 1933 and those for 1931, the possibility that the proportion of part-time employment was larger in one year than in the other should be taken into account.

[2] Manufacturers' profits or losses cannot be calculated from the census figures because no data are collected for certain expense items, such as interest, rent, depreciation, taxes, insurance, and advertising.

[3] Including $8,416,813 for 1933 and $15,534,464 for 1931, paid as internal-revenue tax. This amount is included in cost of materials as well as in value of products in order to avoid inflating the item for "Value added by manufacture" (as defined in footnote 4).

[4] Value of products less cost of materials, containers, fuel, and purchased electric energy.



# Regulations Governing Cigarette Prices

THE National Recovery Administration has just released an amendment to the Emergency Order establishing minimum prices for cigarettes, requiring that in states where a stamp tax is imposed upon the sale of cigarettes, the amount of the stamp must be added to the established minimum price; thus in states having a two-cent tax, the retail unit price will be fifteen cents. Multiple sales of two packages will be twice fifteen cents or thirty cents, less 5 per cent., net retail price of two packages will thus be twenty-nine cents. Carton prices will be ten times fifteen cents or a dollar fifty, less 8 per cent., or a dollar thirty-eight net.

In states having three, four and five-cent stamp taxes, the amounts will be computed by the same formula: add the state tax to the unit price and when multiple sales are made, a discount of 5 per cent. may be deducted from the sum of the multiple sale when one dollar and under, or a discount of 8 per cent. may be deducted when the sum of the multiple sale is over one dollar.

This order applies to all cigarettes and prohibits the bootlegging of cigarettes across the lines of states imposing stamp taxes upon cigarettes within its state boundaries. Cigarettes cannot be sold from a state having no stamp tax to a consumer within a state having such tax without adding the amount of the tax.

Following is the text of the official release from NRA:

"The amount of any state tax on cigarette sales must be added to the minimum price established under the retail tobacco trade code, according to a ruling made public today by the National Recovery Administration. The ruling applies to all sales in a state levying such a tax, regardless of whether the seller is actually located within the state. The ruling will become effective September 17.

"On July 12, the Administrator issued an order temporarily fixing the minimum retail price for cigarettes. This order was issued to prevent the practice of using cigarettes as 'bait,' a practice which was tending to eliminate the small enterprise from tobacco distribution. However, in those states imposing a stamp tax on cigarettes, the amount of the tax is large enough to permit a continuation of this practice through the absorption of the tax by the dealer. Furthermore, a dealer located in one state may sell in another state imposing a tax, avoiding the tax entirely, and forcing a competitor within the state, in order to meet his price, to suffer a substantial loss. Therefore, the existing order has tended to promote fair competitive practices only in those states having no tax and the amendment proposes to extend this protection to all states. To permit the absorption or avoidance of a tax which may amount to as much as 38 per cent. of the selling price is considered beyond the bounds of healthy price competition.

"The effect of this order will be to provide a uniform competitive base. In other words, for brands on which the minimum price amounts to thirteen cents per package, two packages for twenty-five cents, and a carton for $1.20, the minimum price in a state imposing a stamp tax of two cents per package on the cigarettes will automatically become fifteen cents per package, two packages for twenty-nine cents, and a carton for $1.38. A person located without the state must conform with the minimum prices of the state in which he makes his sales.

"It is expected that the order will remove the unfair competition now existing as a result of interstate sales being made by the so-called cigarette 'bootlegger,' and at the same time effectuate the purposes of the original order fixing the minimum retail prices for cigarettes. The text of the amendment is as follows:

" 'In computing minimum unit prices, in case of any sale to a consumer located at the time of such sale in a state imposing a stamp tax on cigarettes or the sale thereof, such minimum unit prices shall be computed pursuant to paragraph 2 and the amount of such stamp tax, if not paid by the consumer, shall, whether the seller be located within or without such state, be added to the minimum unit price so determined.

" 'In computing minimum prices in case of any such sales of more than one unit of the same article, minimum unit prices calculated on the foregoing basis and including the stamp taxes shall be multiplied and be subject to discounts as provided in paragraph 2.' "

# Stay on Merchandising Provisions Lifted

THE National Recovery Administration today approved regulations submitted by the National Tobacco Council, Inc., for handling the filing of prices and discounts as provided in the so-called "cigar merchandising plan" of the tobacco trade codes, and ordered the open price provisions of the code into immediate effect.

The codes for the cigar manufacturing industry, the wholesale tobacco trade and the retail tobacco trade each contained the cigar merchandising plan (whereby manufacturers are permitted to establish minimum retail prices at which their products may be sold, with specific discounts to be allowed each step in distribution). That plan provides for an open price association; but at the time the codes were approved, there was no machinery adequate to handle the detail work involved. The Administration, therefore, in approving the codes, in each case provided that the open price provisions should be stayed.

The National Tobacco Council, Inc., was formed by the tobacco trades primarily to handle distribution of the filed price and discount lists. The Council drafted a plan for "confidential treatment and simultaneous distribution" of such lists; and today's order officially approves it.

As drafted, the cigar merchandising plan provided waiting periods between the filing of prices and their effective date. Those waiting periods also were stayed by the Administration when the codes were approved; and those stays still are in effect.

Today's order provides that cigar manufacturers shall file their price lists "forthwith," and that jobbers and sub-jobbers shall file theirs within fifteen days.

# PHILADELPHIA.

### BAYUK BUSINESS BITS

AJOS. NEWMAN, vice-president of Bayuk Cigars, Inc., in charge of sales, has returned after a well-deserved vacation of two weeks in the Poconos. He is back at his desk, displaying more than his usual unusual vigor, the resulting benefit of his stay in the mountains . . . Ralph & Klein Cigar Co., of Lafayette, Ind., are being assisted by C. M. Bristow, Bayuk salesman, on a drive for increased distribution for Bayuk brands in that territory . . . Charles F. Becker Cigar Co. continue their progress in the expansion of the sale of Bayuk brands in the Detroit market, with the assistance of Roy Barkman, Bayuk territorial manager . . . B. W. Burnside is en route to Charleston, W. Va., to assist in promotional work on Bayuk brands, now being distributed by Schulick-Taylor Co., at Wheeling.

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### G. H. P. NEWS NOTES

DA. JENKS, assistant sales manager for G. H. P. Cigar Co., has returned from his combination business and vacation sojourn in the Midwest and is now helping to boost business for El Producto and La Azora in New England. He brought back glowing reports from Detroit and other points he touched while he was combining business with pleasure . . . Frank P. Will, executive vice-president, was delighted with the final lifting of the stay of the merchandising provisions in the Cigar Code. From the beginning he headed up the committee having in charge the working out of the merchandising provisions . . . La Azora has burst forth in newspaper advertising in all the cities where this popular brand has distribution. The first insertion was on September 11th, and it goes without saying that copy and layout were up to the characteristically high G. H. P. standard.

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Mannie Perez, of Marcelino Perez & Co, Tampa, manufacturers of Redencion and other famous clear Havana brands, was in town last week visiting his many friends among the jobbers and retailers here. Mannie reports business with his firm is going along nicely, with good prospects for increased business within the next few weeks.

## Trade Notes

The Royalist factory (Grabosky Bros., Inc.,) N. Second Street, is running at a steady pace keeping up with the demand for their Royalist brand, which has increased in popularity tremendously since the recent advent of the punctured head on all sizes of this brand.

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Herman Abrams, Medalist representative, has just returned from a trip through Eastern Pennsylvania, and opened some new jobbing accounts on his brand. Yahn & McDonnell, local distributors of the brand, report business increasing on this brand.

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John Wagner & Sons, 233 Dock St., importers and distributors, report business holding a good steady pace, with some brands increasing. The Don Sebastian brand, clear Havana made-in-bond, is showing a particularly good increase in demand throughout this territory.

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Ben C. J. Lumley, factory representative for the Garcia y Vega factory, has just returned from a trip through New York State and reports the usual highly successful trip. Garcia y Vega cigars, distributed here by Yahn & McDonnell, have been increasing in distribution and sales.

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James Stillwell, popular salesman of the Yahn & McDonnell staff, was seriously injured in an automobile accident on September 8th, suffering a broken collarbone and two fractured ribs. We are glad to report that Mr. Stillwell is recovering nicely and expects to soon be able to resume his duties.

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Among recent visitors in Philadelphia calling on the trade were: James Heaney, of Henry Clay & Bock and Co., in the interest of Corona; Abe Caro, of Optimo fame; Steve Hertz, of Haddon Hall, and Harry Rogers, of S. Furgatch y Ca. All reported good business on their brands with excellent prospects for increased fall business.



# Philip Morris Gives Retailers' $25,000

## Schulte and United Contribute $5,000 Each

THE National Code Authority for the Retail Tobacco Trade announced today the Philip Morris Co. had again come to the aid of the retailers at a critical time and made this substantial advance to their cause. How to secure adequate temporary finances to support the administrative and compliance boards of the Code Authority has been an extremely difficult problem for the retailers to solve. The retailers' budget and plan of assessment is pending approval of N. R. A. It is understood the budget and plan of assessment submitted by the retailers is sufficiently comprehensive to centralize control of all expenditures of both the National and State Code Authorities, involving more than eight hundred thousand outlets, if approved.

The original collection plan entailed concurrence and co-operation of the cigarette manufacturers. It proposed making collection of the assessment by adding nine-tenths of a cent a thousand to the wholesale price of cigarettes—the sum so collected from the retailers to be turned over to the retailers' Code Authority. This indirect method of collecting, aside from being the simplest and least expensive, would have assured an equitable distribution of the cost of administering the Code, as no retail outlet could have escaped payment of its just share of the expense, and it would have netted ample funds to insure enforcement of the Code without any additional or local assessment of any kind.

Most cigarette manufacturers agreed to co-operate under the plan, but a few, though agreeing the plan was practical, apparently could not see their way clear to go along with it. The indecision of these manufacturers compels the Retailers' Code Authority to adopt another method of collecting Code assessments. In all likelihood, the assessment will be added to all invoices for merchandise in the form of stamps amounting to one-tenth of one per cent. of the total wholesale price.

The original plan had the apparent enthusiastic support of N. R. A. Changing the method of collecting the assessment brings with it delay, as the advisory boards will again be called upon to study and review the plan. Delay at this juncture, while establishing Code enforcement agencies, collecting data and evidence vitally necessary to preserve the minimum price for cigarettes beyond October 13th, as well as promulgating the merchandise provisions in the Cigar Code, could indeed be considered a major setback for the Retailers' Code Authority.

While adoption and approval of alternative plans for collecting assessments are pending, the administration of the Code must go on, and money must be in hand quickly for this purpose. Otherwise, all the advantages so far gained will be lost and there will be a return to the old chaotic conditions.

A call went forth and continues to go forth to all retailers, asking them to come to the aid of their Code Authority by sending in voluntary contributions. The sum needed is a large one, but a big job has to be done as it is national in scope.

When the Philip Morris Co., who have always evinced every friendship for the retailers, learned the finances of the Retailers' Code Authority were in a critical state, they immediately volunteered the substantial advance of $25,000. D. A. Schulte, Inc., and the United Cigars Stores advanced $5000 each. All retailers are asked to impose voluntary assessments upon themselves and send the money to the National Code Authority for the Retail Tobacco Trade, Room 1622, Woolworth Building, 233 Broadway, New York City.

# Resolution on Minimum Prices

of which are owned and operated by small merchants, and

WHEREAS, the number of those dependent upon the retail tobacco trade for a livelihood is considerably in excess of 1,000,000 persons, and

WHEREAS, the Administrator for Industrial Recovery, in approving the Code of Fair Competition for the Retail Tobacco Trade and the Administrative Order of July 12th, 1934, establishing minimum prices on cigarettes recognized that the very existence of the retail tobacco trade depended upon the elimination of existing viciously unfair price-cutting practices, and

WHEREAS, the said establishment of such minimum prices for cigarettes resulted in stabilizing prices at the then prevailing levels, although minimum wages were established approximately 15 per cent. higher than those in other retail codes, and it is estimated the trade will incur a 10 per cent. increase in payroll,

NOW, THEREFORE BE IT RESOLVED, that the said National Code Authority for the Retail Tobacco Trade, heartily endorses the acts of the Administrator for Industrial Recovery, General Hugh S. Johnson, and petitions the President of the United States that the present Administrator be retained to perpetuate consistently the policies heretofore inaugurated for the continued existence of the hundreds of thousands of small merchants dependent upon such policies; be it

FURTHER RESOLVED, that it is the conclusion of the said Code Authority that the discontinuance of loss limitation provisions in the Code for the Retail Tobacco Trade would cause abandonment of the entire Code, with resulting unemployment, decrease in wages and distress to proprietors; be it

FURTHER RESOLVED, that a copy of these resolutions be transmitted to the President of the United States and the Administrator for Industrial Recovery, General Hugh S. Johnson.

WHEREAS, there are approximately 500,000 retail tobacco outlets in the United States, the great majority

# Stocks of Leaf Tobacco in U. S.

STOCKS of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,204,245,000 pounds on July 1, 1934, compared with 2,099,037,000 pounds on July 1, 1933, an increase of 105,208,000 pounds. From April 1, 1934, to July 1, 1934, total stocks decreased 230,709,000 pounds, while during the same period of 1933 the decrease amounted to only 178,867,000 pounds.

Stocks of flue-cured tobacco on hand July 1, 1934, were 652,057,000 pounds compared with 578,157,000 pounds on July 1, 1933, an increase of 73,900,000 pounds over the holdings of a year ago. During the period from April 1 to July 1 of 1934 flue-cured stocks decreased 133,150,000 pounds compared with a decrease of 102,123,000 pounds during the same period of 1933. Type 11 stocks on July 1, 1934, were reported as 290,641,000 pounds; Type 12 as 216,576,000 pounds; Type 13 as 105,382,000 pounds; and Type 14 as 39,458,000 pounds. The detailed report by groups of grades shows the bulk of the stocks of flue-cured tobacco in the X group with the exception of Type 14, which shows a little larger proportion in the C group.

Stocks of fire-cured tobacco were reported as 208,422,000 pounds on July 1, 1934, compared with 233,487,000 pounds on July 1, 1933. Total fire-cured stocks were about twenty-five million pounds lower than they were a year ago July 1, and about eighteen million pounds lower than they were on April 1 of this year. Virginia Fire-cured, Type 21, stocks reported as 32,230,000 pounds, were about three-quarters of a million pounds higher than a year ago. Type 22, reported as 128,280,000 pounds, showed a decrease of about twenty million pounds under the previous July stocks, and Type 23 stocks reported as 43,816,000 pounds were a little over four million pounds lower. Stocks of Henderson Stemming, Type 24, were reported as 4,096,000 pounds on July 1, 1934; about a million and a half pounds lower than a year ago.

Burley stocks were about eighty-six million pounds higher on July 1, 1934, than they were July 1, 1933. The July 1, 1934, report shows 763,770,000 pounds on hand. The decrease during the second quarter of 65,823,000 pounds was slightly lower than the decrease during the same period of 1933. Maryland tobacco, Type 32, stocks reported as 29,589,000 pounds on July 1, were about a million pounds higher than the previous year's holdings.

One-Sucker stocks on July 1, 1934, amounted to 35,700,000 pounds, or about five and a half million pounds less than April 1, 1934, stocks and about a million pounds less than July 1, 1933, stocks. Green River stocks reported as 34,782,000 pounds were about six and three-quarters million pounds lower than a year ago. Virginia Sun-cured stocks totaled 2,495,000 pounds on July 1, or 733,000 pounds less than July 1, 1933, stocks. Miscellaneous Domestic stocks were reported as 1,995,000 pounds, and foreign grown other than cigar leaf, which is principally the Turkish type cigarette tobacco, was reported as 77,810,000 pounds on July 1, 1934.

### CIGAR LEAF TOBACCO STOCKS

Stocks of American-grown cigar filler types amounted to 174,420,000 pounds on July 1, 1934, compared with 177,417,000 pounds on July 1, 1933, a decrease of about three million pounds. Type 41, Pennsylvania Seedleaf stocks on July 1, 1934, were 97,079,000 pounds; Type 42, Gebhardt, 22,555,000 pounds; Type 43, Zimmer, 26,617,000 pounds; Type 44, Dutch, 7,551,000 pounds; Type 45, Georgia and Florida Sungrown, 1,135,000 pounds; and Type 46, Porto Rican, 19,483,000 pounds. The detailed report by groups of grades shows about 74 per cent. of the total filler type stocks in the C group as strictly filler grades and about 24 per cent. in the X group as stemming grades.

An increase in the cigar binder type stocks from April to July is normal but the increase in 1934 was much less than in either 1933 or 1932. Cigar Binder type stocks totaled 200,101,000 pounds on July 1, 1934, a little over eight million pounds lower than the July 1, 1933, stocks. Type 51, Connecticut Broadleaf stocks were 39,104,000 pounds on July 1, 1934; Type 52, Connecticut Havana Seed, 36,187,000 pounds; Type 53, New York and Pennsylvania Havana Seed, 3,072,000 pounds; Type 54, Southern Wisconsin, 75,660,000 pounds; Type 55, Northern Wisconsin, 46,078,000 pounds. The detailed report by groups of grades shows that of the total binder type stocks reported, 4,324,000 pounds, or 2.1 per cent., are of wrapper quality; 74,392,000 pounds, or 37.1 per cent., are binders; 10,274,000 pounds, or 5.1 per cent., are fillers; and 110,853,000 pounds, or 55.4 per cent., are stemming grade or X group tobacco.

Shade-grown wrapper type stocks were nearly two million pounds lower on July 1, 1934, than on July 1, 1933, and a little over a million pounds lower than on April 1 of this year. The July 1 report shows a total of 12,597,000 pounds on hand, 9,571,000 pounds of Type 61, Connecticut Shade, and 3,026,000 pounds of Type 62, Georgia and Florida Shade. Of the total shade stocks reported, 8,776,000 pounds are reported in the A group as being of actual wrapper quality.

Foreign-grown cigar leaf tobacco stocks were reported as 10,507,000 pounds on July 1, 1934.

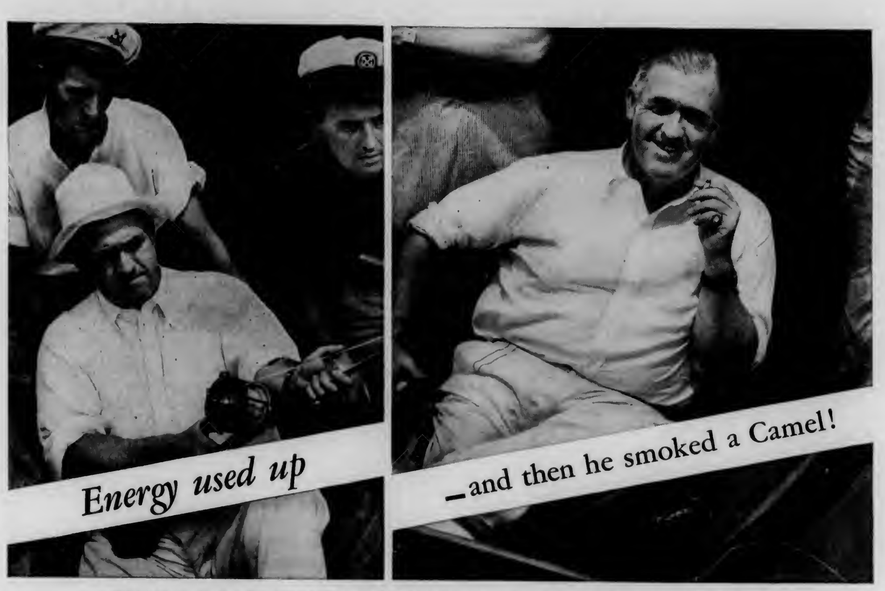
# Wholesale Code Budget

NRA approval has been asked for a proposed budget of expenses of administering the wholesale tobacco trade code. The budget covers the period June 9, 1934, to June 15, 1935, and totals $410,150. Deputy Administrator Irwin S. Moise has announced that comments on the proposed budget must reach him in Room 1123, Investment Building, Washington, D. C., before September 13.

Members of the trade will be assessed at the rate of one-tenth of one per cent. on gross sales of cigars and one-twentieth of one per cent. on sales of cigarettes, tobacco and plug tobacco.

The budget calls for salaries and traveling expenses of $85,000; office expenses amounting to $30,500; $125,000 for 125 local Code Authorities; $109,650 for 51 regional Code Authorities; and $60,000 for legal fees, accounting fees and reserve for the National Tobacco Council, Inc.




*FROM LONG KEY TO NOVA SCOTIA, the famous sportsman and writer, REX BEACH, has matched his skill and vitality against the big game fish of the Atlantic! Below he tells how he lights a Camel after fighting it out with a heavy fish — and soon "feels as good as new."*

**REX BEACH EXPLAINS**

**how to get back vim and energy when "Played Out"**

"Any sportsman who matches his stamina against the fighting strength of a big game fish," says Rex Beach, "has to put out a tremendous amount of energy before he lands his fish. When I've gotten a big fellow safely landed my next move is to light a Camel, and I feel as good as new. A Camel quickly gives me a sense of well-being and renewed energy. As a steady smoker, I have also learned that Camels do not interfere with healthy nerves."

Thousands of smokers will recognize from their own experience what Mr. Beach means when he says that he lights a Camel when tired and "feels as good as new." And science adds confirmation of this refreshing "energizing effect."

That's why you hear people say so often: "Get a lift with a Camel." Camels aren't flat or "sweetish." Their flavor never disappoints. Smoke Camels steadily—their finer, MORE EXPENSIVE TOBACCOS do not get on the nerves!

CAMELS Costlier Tobaccos never get on your Nerves

● Camels are made from finer, MORE EXPENSIVE TOBACCOS —Turkish and Domestic—than any other popular brand.

**"Get a LIFT with a Camel!"**

Copyright, 1934, R. J. Reynolds Tobacco Company

# Oppose Maximum Tax on Burley

TOBACCO manufacturers asked the Agricultural Adjustment Administration at a hearing on September 5 not to levy the maximum processing tax of 6.1 cents a pound on Burley tobacco used in the manufacture of plug chewing tobacco and twist on the grounds that the maximum rate would result in a reduction of consumption of chewing tobacco products made in whole or in part from Burley and a consequent accumulation of surplus.

The processing tax on Burley tobacco, fixed in October, 1933, is now two cents a pound. Since the tax was levied, however, the difference between the current average farm price of Burley and the fair exchange value of the commodity has increased so that it would now be possible to levy a maximum processing tax of 6.1 cents a pound on Burley.

The hearing, presided over by J. L. Peirce and Robert B. Tyler, of the Agricultural Adjustment Administration, was called to determine that if the maximum tax of 6.1 cents is levied would this rate be too high on Burley used in the manufacture of plug chewing tobacco and twist, and if too high what should the maximum rate be.

While W. W. Flowers of the Liggett and Myers Tobacco Company, and M. A. Braswell of the R. J. Reynolds Tobacco Company, were the only witnesses to testify at the hearing, both opposed levying of the full tax on Burley used in the manufacture of plug chewing tobacco and twist. Each said he was not in a position to suggest a definite rate. Both, however, asked that the rate be as "low as possible."

Mr. Braswell read from a brief filed by Harry Taylor, representing chewing tobacco manufacturers, at a hearing held May 24, 1934, in which Mr. Taylor urged a uniform processing tax on all tobacco leaf, regardless of type, going into the manufacture of plug chewing tobacco and twist and suggested a rate of 1½ cents a pound farmers' sales weight. Mr. Braswell said he did not necessarily concur in this rate suggestion but merely wished to call it to the attention of the hearing.

Mr. Braswell and Mr. Flowers both said, however, that they believed a uniform tax rate on all leaf tobacco, regardless of type, used in the manufacture of plug chewing tobacco and twist would be an aid to the industry and the Agricultural Adjustment Administration. They argued this would tend to eliminate manufacturers' shifting from one type of tobacco to another in the manufacture of their products and possibly would help to increase the use of tobacco in chewing forms.

Mr. Flowers said his company feels "reasonably sure" that a tax of 6.1 cents a pound on tobacco used in chewing products would result in a decrease in consumption and therefore would tend to build up a surplus.

Mr. Braswell said the processing tax on flue-cured tobacco had forced his company to decrease the size of the retail unit of its chewing products made from flue-cured tobacco with the result that there had been a decrease in consumption of flue-cured going into chewing products.

# Tobacco Exchange Board Announced

THE personnel of the Board of Governors of the New York Tobacco Exchange, Inc., the contract basis and official delivery points were announced yesterday afternoon (Wednesday) by the Exchange. The governors will meet late today (Thursday) at which time it is expected that the date for opening will be announced. The Board of Governors as at present constituted comprises: John W. Hanes of Chas. D. Barney & Co., president of the Exchange; John L. Julian of Fenner & Beane, first vice-president; Louis P. Christenson, vice-president of the Manufacturers Trust Company; Harold L. Bache of J. S. Bache & Co.; John R. Collins with Hubbard Bros. & Co.; Howard C. Hirsch, of Hirsch, Lilienthal & Co.; Bernard Gelles, with W. R. Grace & Co.; Edward A. Brown, secretary; Harry B. Brockhurst, treasurer; and Paul G. L. Hilken, assistant secretary.

The Exchange has determined upon United States Standard flue-cured Type 12 Grade B4F as the basic contract. This grade was selected because B4F is one of the largest grades in volume during a normal year. The records of the United States Department of Agriculture show that the Department last season graded 19,880 lots or 2,486,049 pounds in B4F.

The decision in favor of Type 12 Grade B4F which is the bright leaf tobacco, will mean that the opening of trading on the Exchange will coincide with the opening of the season and that trading in futures will run parallel with spot transactions, thus furnishing a basis of comparison.

Other grades and types will be acceptable as permissible deliveries under definite differential specifications. The unit of trading will be 10,000 pounds or approximately 10 hogsheads. Two delivery points have been approved: Norfolk and/or Newport News, Va., and Louisville, Ky. Serious consideration is being given to an additional delivery point in North Carolina, the bright leaf district.

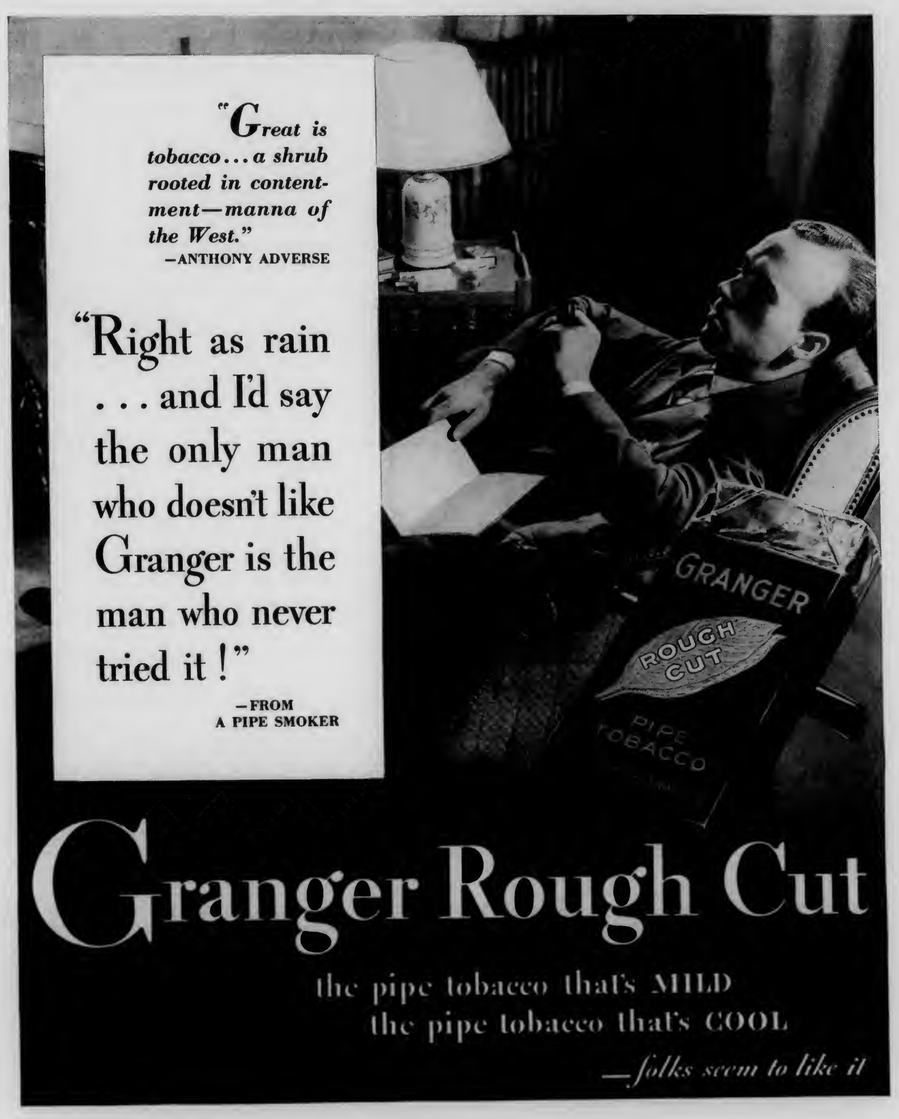
# Warehouse Code Budget

A proposed budget of code expenses of the auction and loose leaf tobacco warehouse industry has been submitted for NRA approval. Deputy Administrator C. W. Dunning has announced that comments on the proposal must reach his office, 1127 Investment Building, Washington, before September 18.

The budget totals $36,100 for the year ending June 29, 1935. The largest item is $16,800 for salaries and traveling expenses of six field supervisors.

It is proposed to raise the money by assessing four cents per thousand pounds of tobacco sold on warehouse floor.





"Great is tobacco... a shrub rooted in contentment—manna of the West."
—ANTHONY ADVERSE
"Right as rain ... and I'd say the only man who doesn't like Granger is the man who never tried it!"
—FROM A PIPE SMOKER
GRANGER
ROUGH CUT
PIPE TOBACCO
Granger Rough Cut
the pipe tobacco that's MILD
the pipe tobacco that's COOL
—folks seem to like it

© 1934, Liggett & Myers Tobacco Co.

# Results of New Cuban Agreement

CLOSE to a million acres of farm land will be needed to produce the increased agricultural exports to Cuba if the new trade agreement between Cuba and the United States works out as expected, it has been estimated by Secretary of Agriculture Henry A. Wallace. After citing the figures on the exports of various commodities on which he based his estimate, Secretary Wallace added: "Naturally, Cuba could not afford to make these concessions to the United States unless the United States made some concessions to Cuba. This is the essence of the tariff reciprocity program. Accordingly, the United States agreed to lower tariffs on the two most important products, sugar and tobacco. . . .

"The duty applicable to Cuba on filler tobacco for cigars was reduced 37½ per cent., or from 28 cents per pound to 17½ cents for unstemmed and from 40 cents to 25 cents for stemmed. This is the class of tobacco in which Cuba is principally interested. Reductions were also made in the duties applicable to Cuba on wrapper tobacco and cigars. At the same time, however, a provision was made for a quota on Cuban tobacco equivalent to 18 per cent. of the tobacco entering into the manufacture of cigars in the United States in the preceding calendar year. This figure represents the proportion of Cuban tobacco used in cigars in this country during the last ten years. The object of this provision is to protect the growers of cigar leaf tobacco in the United States from disastrous competition from Cuban tobacco at a time when they are entering into agreements to curtail their own acreage and production.

"In establishing these quotas on sugar and tobacco a principle has been recognized which will be followed in connection with the general tariff bargaining program. This is the recognition of the necessity for establishing quantitative limitations on the importation of products which are similar to and compete directly with American products the production of which is being restricted or curtailed."

# "Baby Grand", New Cigarette Roller

THE "Baby Grand" is being introduced as a practical compact and unique cigarette roller. The compact size of this roller (3 x 1⅛ x ⅝ inches) and its complete weight of only three-quarters of an ounce, is an ideal size and weight to be carried in the vest pocket or ladies' pocket-book. It has a highly finished and extremely attractive case and can be had in any color. The case is made to snap open or remain closed without the aid of any spring or metal device. After making one cigarette, the roller is ready to make another, without rewinding, by simply reversing the position of the roller.

There is a "Tension Control" which regulates the density of the packing of the tobacco of the cigarette in process. It is said that even the finest flake or granulated tobacco can be made into a perfectly rolled, properly compressed, and full at the ends, cigarette; that, in fact, even snuff could be made into a cigarette.

Another feature claimed for the "Baby Grand" is that a perfect cigarette is made irrespective of how much tobacco is placed in the roller. Whether too little or too much, it merely determines the diameter of the cigarette, so that a perfect cigarette can be made of any desired size that your fancy dictates, from a match-stick to a cigar thickness.

Either plain or gummed cigarette paper can be used.

The directions inside of the roller show how cigarettes with tips and also medicated cigarettes can be made with this roller.

The Caldwin Baby Grand Roller is made by the E. C. Machine Works, Inc., manufacturers of specialties, Garfield, N. J.

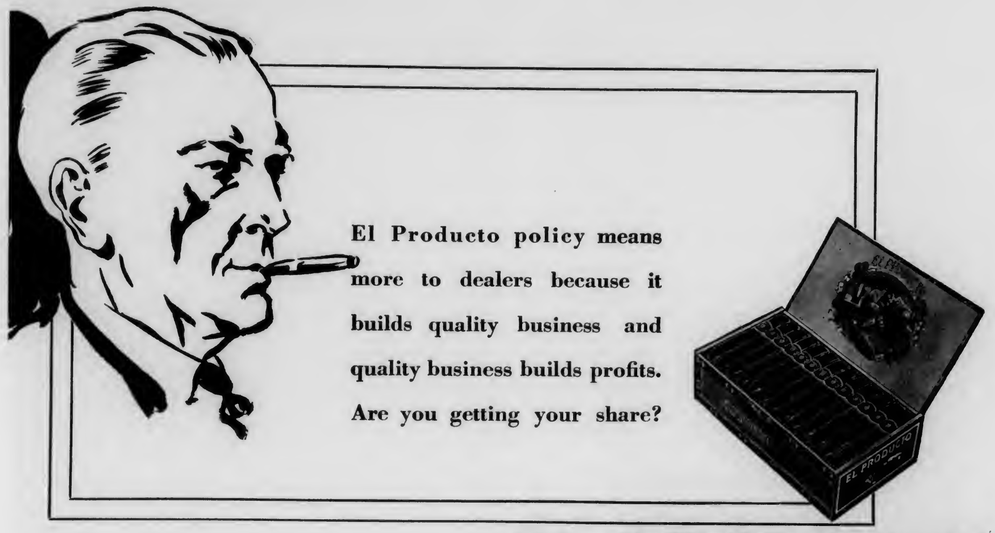
# Regulations on Posting Labor Provisions

REQUIREMENTS more detailed than heretofore for the posting of labor provisions of codes of fair competition were announced today by the National Recovery Administration. The new requirements are that, in addition to labor provisions which employers heretofore had to post, they now must post also orders, interpretations, explanations or statements issued by the President or the Administrator as part of or in connection . . . with such code provisions.

This new order leaves unchanged all provisions of Order X-7, except Paragraph 1. That new paragraph reads in full as follows:

"Every person shall, in the manner hereinafter provided, make application for and display official copies of labor provisions for each Code to which he is subject or may hereafter be subject. Such official copies of labor provisions (hereinafter referred to as official copies) will contain (a) the provisions of the Code relating to hours of labor, rates of pay and other conditions of employment; such conditions, Orders, interpretations, explanations or statements issued by the President or the Administrator as part of or in connection with any Order approving such Code or any amendment thereto so far as they relate to such provisions of the Code; other interpretations, Orders and explanations; all to such extent as NRA may in the case of each Code deem to be advisable to effectuate the purposes of these Rules and Regulations. A separate application shall be made with respect to each Code."




El Producto policy means more to dealers because it builds quality business and quality business builds profits. Are you getting your share?
EL PRODUCTO

G. H. P. CIGAR CO., INC., PHILA., PA.

EL PRODUCTO
*for real enjoyment* 10 *cents* AND UP

# Decrease in American Leaf in China

A REDUCTION in consumption of American leaf is expected during the 1934-35 season because of the large 1934 crop, the heavy carryover of native leaf, heavy taxes on cigarettes, increasing prices for American tobacco, and low purchasing power of the Chinese consumers. Consumption of American leaf last season is believed to have been almost 20,000,000 pounds less than in the preceding year because of the large supplies of cheap native leaf resulting from the record 1933 crop, and also because of an increase in the tax on machine made cigarettes in December, 1933.

The increase in the cigarette taxes in December, 1933 decreased the consumption of American leaf since considerable quantities of American tobacco are used for blending with native leaf in the manufacture of the cheaper grades of cigarettes. The immediate result of the increased taxes was an economy in the use of American leaf and a large increase in the manufacture of hand-rolled cigarettes which escape the tax and in which native leaf is used almost exclusively. The consumption of hand-rolled cigarettes has now become an important factor in the Chinese cigarette supply.

China has been endeavoring for several years to be more self-sufficient in the matter of flue-cured tobacco and considerable quantities of American seed have been imported and planted. There are no indications as yet, however, of any improvement in the quality of the native-grown leaf, says the bureau. Higher prices for American tobacco during 1934-35 are likely further to stimulate the consumption of native leaf, but Chinese dealers generally realize the need for great improvement in the quality of native leaf before any significant permanent reduction can be made in the requirements from the United States.

Any large-scale substitution of Chinese for American leaf would be of considerable significance to American producers of flue-cured tobacco, since China in recent years has been the second most important export market for our exports of that type of leaf, having taken on the average approximately 28 per cent. of our exports during the five years 1929-33.

China's total imports of leaf tobacco, practically all from the United States, during the twelve months ended September 30, 1934, are expected to be about 78,000,000 pounds compared with 65,000,000 pounds last season. Consumption of American leaf in China this season is expected to be approximately 70,000,000 pounds compared with 90,000,000 pounds a year ago. Because of the reduced consumption of American leaf and the heavier imports during 1933-34, stocks of foreign tobacco on October 1 are expected to be somewhat larger than a year ago, although they will not be excessive, says Dawson.

## CHINA'S 1934 CROP

THE 1934 flue-cured tobacco crop in China is now estimated at 142,000,000 pounds compared with the revised figure of 146,000,000 pounds for 1933, and with 108,000,000 pounds for 1932, according to a radiogram received by the Bureau of Agricultural Economics, from Agricultural Commissioner O. L. Dawson at Shanghai. Carryover supplies of imported leaf will be only moderate by the end of the current season, it is expected, but the carryover of native leaf will probably be approximately 26,000,000 pounds compared with 8,000,000 pounds at the close of the 1932-33 season.

Present indications point to a crop of 75,000,000 pounds compared with 70,000,000 pounds last year in Shantung, 45,000,000 pounds compared with 60,000,000 pounds in Honan, 20,000,000 pounds compared with 14,000,000 pounds in Anhwei, and 2,000,000 pounds, or the same as last year, in Manchuria. The crop is developing favorably although rainfall is somewhat excessive in Shantung. With exceptionally favorable conditions till harvest, the total crop might equal or even exceed the record 1923 crop.

## CODE STAMPS ON BOXES

THE Code Authority for the cigar manufacturing industry has applied for N. R. A. approval of an amendment to its code whereby all boxes of cigars would be required to have a Code Authority stamp, signifying compliance with the code. The stamps would be sold by the Code Authority, and the proceeds used to finance code expenses. Prices would vary, depending on the retail value of the cigars.

It is estimated, in the budget of code expenses submitted by the Code Authority, that $280,160 will be required in the period June 19, 1934, to June 15, 1935. Salaries will take $92,800 of this, office expenses $43,010, traveling expenses $35,850, legal fees $30,000, labels $47,500, and the National Tobacco Council contribution $25,000. Accounting is estimated at $5000, and insurance at $1000.

## CONCESSION FOR EXHIBIT

Permission has been granted the General Cigar Company to allow employees at its "Century of Progress" exhibit to work 45 hours a week and on Sunday, although the Code for the cigar manufacturing industry limits employees to a maximum of 40 hours and calls for a six-day week.

The order granting the permission specifies that these operators must be off duty a full 24 hours every other day, and shall be paid time and one-third for all Sunday work.

Under the Code limitations, it was found impossible to operate the exhibit to coincide with and include all the time of "activity, exhibition and display" at the great Chicago exposition.

## "RAINBOW" LINE OF PIPES

A new and complete line of pipes, aptly named "Rainbow", has recently been placed on the market by S. M. Frank, New York City. They are prepared from cast Bakelite Resinoid in a wide variety of brilliant colors which should strike the fancy of all pipe lovers. The pipes are mounted on a handsomely designed display card printed in restrained colors to bring out the beauty of the pipes.

## NORTH CAROLINA TOBACCO PRICES UP

TOBACCO prices at Farmville in the Eastern North Carolina district showed marked improvement over those of the previous season, according to official reports of opening sales. The Tobacco Section of the Bureau of Agricultural Economics, co-operating with the North Carolina Division of Markets, in official tobacco grading service at Farmville, reports that the sales consisted mostly of lugs and primings, with a small percentage of third and fourth quality cutters.

Such cutters as appeared on the market and were officially graded averaged $6.33 more than last year's average, or an increase of 21 per cent. The average for lugs was up $9.45 or 52 per cent., and primings averaged $10.90 more, showing an improvement of 78 per cent.

The average prices on specific grades and the increase over last year's season averages follow: Cutters, C3F—$36.70, up $3.60; C4F—$35.10, up $7.10. Lugs: X1L—$34.70, up $11.30; X2L—$29.60, up $9.50; X3L—$24.30, up $8.80. Primings: P1L—$33.10, up $12.90; P2L—$30.30, up $13.70; P3L—$24.20, up $11.40; P4L—19.20, up $10.30.

The tobacco market news office in Raleigh will issue daily and weekly reports on prices of Type 12 tobacco according to grade, commencing August 27th. Beginning September 11th, this office will also report on Middle Belt tobacco, Type 11 (b), and grading service will be made available to growers at Oxford. Grading of Old Belt tobacco, Type 11 (a), at South Boston, Va., will make it possible to supply grade prices on that type beginning September 25th, from an office to be established in Virginia.

## EXEMPTIONS FROM CODES

"1. PROVISIONS OF THE P. R. A. AND OF APPROVED CODES FROM WHICH EMPLOYERS INCLUDED UNDER THE EXECUTIVE ORDER ARE EXEMPTED.

"An employer exempted by the Executive Order of May 15, 1934, is not required to comply with paragraphs 2, 3, 4, 5 and 6 of the President's Re-employment Agreement or of approved substitutions for the requirements thereof. He is under obligation to comply with the remaining paragraphs.

"An employer exempted by said Executive Order is not required to comply with the provisions of approved codes which prescribe maximum hours of employment, hours of store operation, and minimum rates of pay, or which require the posting of such provisions, or which relate to the minimum price at which the employer may sell merchandise or render a service, or which call for assessments to the Code Authority for the purpose of meeting its expenses.

"Such an employer is bound by the remainder of the Code including (but without limitation) the Child Labor Provisions and the Fair Trade Practice Provisions except those which relate to the minimum price.

Philip Morris & Co., Ltd., Ins., New York, manufacturers of Philip Morris and Marlboro cigarettes, have become members of the Association of National Advertisers, Inc. Mr. M. J. Sheridan will represent the company in the association.



## EXPORT BUSINESS UP

EXPORT volume of finished tobacco products, especially cigars and smoking tobacco, improved considerably during the first six months of 1934 as compared with the same period of 1933. In the 1934 period, 23,604,000 cigars; 18,588,000 cigarettes and 113,611 pounds of smoking tobacco were exported, the increase being: cigars, 42 per cent.; cigarettes, 23 per cent., and smoking tobacco, 117 per cent. In value, the United States purchased 4.98 per cent. of the exports of finished tobacco products during the first six months of 1933, and 4.62 per cent. during the same period of 1934.

Principal countries showing increases in cigars were: Argentina, Canada, the United States, Germany, Spain, Gibraltar, the United Kingdom, British Africa, Canary Islands, and Australia. Exports of cigars were made to seven countries not participating during the 1933 period, among which were Czechoslovakia, Sweden, French Africa, and New Zealand.

At one time Argentina and Canada were important markets for Cuban cigars, but in recent years exports have declined. However, in the first six months of 1934 shipments to Argentina and Canada showed a slight increase.

Total return to Cuban shippers of leaf tobacco and tobacco products during the first six months of 1934 amounted to 6,652,095 pesos, compared with 5,792,775 pesos in the 1933 like period. The value of manufactured products increased, owing to larger quantities exported, but in leaf tobacco, although the volume decreased approximately 21 per cent., there was an increase in value.

Total increase in returns for all tobaccos exported amounted to 859,322 pesos, of which the increase in value of cigars was 715,182 pesos, cigarettes 2821 pesos, smoking tobacco 30,039 pesos, and leaf tobacco 111,280 pesos.

## WAREHOUSE CODE AUTHORITY

Official recognition has been given the Code Authority for the auction and loose leaf tobacco industry, it was announced on September 7th by the National Recovery Administration.

Members of the group are as follows:

C. O. Dixon, Mullins, South Carolina, representing the South Carolina Belt Warehouse Association.

W. E. Fenner, Rocky Mount, North Carolina, representing the East Carolina Belt Warehouse Association.

W. J. Alston, Henderson, North Carolina, representing the Middle Belt Warehouse Association.

C. B. Strickland, Winston-Salem, North Carolina, representing the Old Belt Warehouse Association.

R. E. Cooper, Hopkinsville, Kentucky, representing the Dark Fired and Unfired Warehouse Association.

John L. Buckley, Lexington, Kentucky, representing the Kentucky Burley Warehouse Association.

J. H. Dean, Knoxville, Tennessee, representing the Tennessee Burley Warehouse Association.

J. Mott Robertson, Lynchburg, Virginia, representing the Virginia Dark Warehouse Association.

G. H. Stevens, Huntington, West Virginia, representing the West Virginia and Ohio Warehouse Association.

E. W. Brown, Nashville, Georgia, representing the Georgia Belt Warehouse Association.

## WALTER O'KEEFE CAMEL M. C.

A NEW all-star Camel Caravan, featuring Walter O'Keefe as master-of-ceremonies with Annette Hanshaw, popular songstress; Ted Husing, ace sports commentator, and Glen Gray's Casa Loma Orchestra, will start a series of two half-hour programs a week over the WABC-Columbia network, Tuesday, October 2d. Sponsored by the R. J. Reynolds Company, makers of Camel cigarettes, the Caravan will be heard every Tuesday from 10 to 10:30 P. M. E. S. T., and each Thursday from 9 to 9:30 P. M., E. S. T. There will be a re-broadcast for western stations from 11:30 to 12 midnight, E. S. T. The program will be broadcast over eighty CBS stations.

Marshalled by the witty and entertaining O'Keefe, versatile star of radio, stage and screen, the Caravan will be an elaborate musical and humorous revue. The Casa Loma Orchestra, starred on last year's Caravan, returns in the new series after a successful summer at Glen Island Casino, with a host of novelty numbers and special arrangements by Gene Gifford. Annette Hanshaw, diminutive personality songstress, will feature song hits of the day with the orchestra, and Pee Wee Hunt and Kenny Sargent will also be "on deck" with vocal interludes. Miss Hanshaw is a phenomenal "natural" in the music world, never having studied music and learning all her songs by ear. She was "discovered" by a phonograph company's representative and her records have sold in the millions.

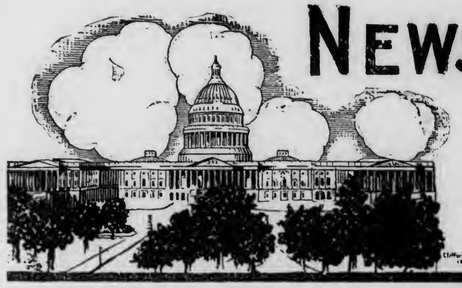
Ted Husing will present a dramatized commercial sketch on each Tuesday program. He will alternate with a well-known news writer, who will handle this assignment on the Thursday programs. Husing has had a colorful career as news announcer, actor, soldier, hitch-hiker, policeman and aviator. He joined Columbia's staff on Christmas Day, 1927, and has starred in outstanding broadcast events of all kinds.

Walter O'Keefe has had a remarkably diversified career. A brilliant humorist and commentator, he sings his own songs as well as the songs of others, writes most of his own material, and is a deft satirist and impersonator of celebrities and notables. O'Keefe has been press agent, night club entertainer, composer and real estate salesman. He worked with Texas Guinan, sang in Greenwich Village night clubs, and finally co-starred on Broadway for eight months in "The Third Little Show" with Beatrice Lillie and Ernest Truex. Last season he re-discovered "The Man on the Flying Trapeze" and made it one of the best selling songs of the year.

## WHOLESALE WAGE PROVISIONS CORRECTED

By amendment, the NRA has completed the minimum wage schedule contemplated under the code for the wholesale tobacco trade. The amendment calls for a 20 per cent. increase in the rate effective on June 1, 1933, for all employees in towns under 25,000 population, provided the increase does not require payment of more than $11.50 a week. It further provides that no employee in such towns shall receive less than $11 a week.

This provision was inadvertently omitted in the final draft of the code, although it had appeared in earlier drafts and was proposed and assented to by the trade.



# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

MORTALITY in the cigar manufacturing industry during the depression reduced the number of plants by 39.2 per cent., cut the average of employment by 21.3 per cent. and, with other factors inherent to the prevailing conditions, reduced the value of production by 39.6 per cent., it is disclosed by figures just compiled by the United States Census Bureau.

The number of establishments in the industry, the bureau reported, dropped from 1063 in 1931 to 646 last year, the average number of wage earners declined from 68,182 to 53,684 and total wage payments were reduced 35.8 per cent. from $46,074,013 to $29,557,579. Employment increased from March to September, 1933, the bureau found, but then declined and at the end of the year was back nearly to the level of June.

The value of cigar production declined 39.8 per cent. during the period, it was found, from $225,149,342 to $135,576,475, while the value of other production dropped 23.3 per cent., from $2,199,490 to $1,687,847. The cost of materials, containers, fuel and purchased electric energy dropped 40 per cent., from $119,295,138 to $71,485,301.

PROTECTION of the Belgian market for American leaf tobacco will be sought by the State Department during negotiations just undertaken for reciprocal trade agreement with Belgium, it is indicated by trade statistics made public upon announcement that a new treaty would be sought.

Due to price decline, it was shown, the value of our leaf tobacco exports to Belgium has remained static since 1929 although the volume has increased over 50 per cent. Shipments in 1933, it was stated, were 20,867,003 pounds valued at $1,700,387 against 13,752,436 pounds valued at $1,671,461 in 1929.

MOVING to prevent the use of cigarettes as "bait" through absorption by dealers of state taxes, the National Recovery Administration on September 10th ordered that the amount of any state tax must be added to the minimum price established under the retail tobacco trade code, effective September 17th.

The ruling applies to all sales in a state levying such a tax, regardless of whether the seller is actually located within the state. As a result, the incentive to purchase cigarettes outside of taxing states, by mail, is removed and all dealers are placed on an equal footing.

MAKING what may be the opening move in a general attack upon the NRA, the shoe manufacturing industry, through its trade association and code authority, this month recommended to President Roosevelt the skeletonizing of all codes through the elimination of all provisions other than those dealing with labor.

Although representatives of many industries have complained that the trade practice provisions were slowing up business and were, in general, undesirable, the shoe trade was the first to direct a concrete attack upon this endeavor, which the Administration has prided itself upon as a valuable contribution to the ethical elevation of industry.

While officials of the NRA refused to comment on the shoe trade's move, fears were informally expressed that it may be the signal for a flood of similar recommendations from other industries which may force the Administration to take action. High Government officials, however, are disturbed because of other considerations, seeing in any concerted demand for skeletonization of codes a repudiation by business of President Roosevelt's drive for greater industrial morality, giving critics of the Administration ammunition for political attack during the congressional campaigns.

If agitation against the trade practice provisions becomes sufficiently pressing, the President may deem it desirable not to ask for continuation of those sections of the Industrial Recovery Act which provide for such clauses. The act automatically expires June 16, next, but extension has been planned, probably for another year.

ADMINISTRATION of the wholesale tobacco code will cost $410,150 for the period from June 9, 1934, to June 15, 1935, according to a budget filed with the National Recovery Administration by the code authority. The funds will be raised by assessments upon members of the trade at the rate of one-tenth of one per cent. on gross sales of cigars and one-twentieth of one per cent. on sales of cigarettes, tobacco and plug tobacco.

The Administration has ruled that wholesale tobacco establishments may remain open on Sunday provided they are closed on some other day of the week which constitutes the Sabbath of the wholesaler, as a result of representations that many orthodox Jews in the trade operate in Jewish neighborhoods and cater to Jewish trade and, in order to conform with the code provisions as originally written and at the same time obey the mandates of their faith, have been obliged to remain closed two days each week.



## CUBA'S BEST CUSTOMER

DURING the first six months of 1934, as in other years, the United States registered as the best customer for Cuba leaf tobacco taking 64.4 per cent. in volume and approximately 80 per cent. in value of all leaf tobacco exported from Cuba during the period under review.

American Commercial Attache Walter J. Donnelly, reporting to the Tobacco Division, Department of Commerce, states that exports of Cuban leaf tobacco to the United States during the first six months of 1934 totaled 6,189,073 pounds, valued at 3,598,653 pesos compared with 5,530,336 pounds valued at 3,384,379 pesos during the like period of 1933. In the 1933 period the United States took 47.4 per cent. in volume and approximately 77.12 per cent. in value of all leaf tobacco exported during the period.

Argentina registered second in Cuban exports of leaf with 874,975 pounds, followed by Canary Islands with 646,311 pounds and Sweden with 578,513 pounds, compared with the 1933 period, exports of leaf to Argentina declined slightly in volume but increased in value.

Exports of leaf to the Netherlands declined from 1,194,939 pounds to 166,570 pounds, Germany from 962,572 pounds to 233,431 pounds, and Spain from 1,675,061 pounds to 126 pounds. The decrease that exists in the case of Spain is due to the fact that shipments of leaf tobacco to that country have been delayed.

Europen participation in Cuba's exports of leaf tobacco declined in value from 9.9 per cent. during the first six months of 1933 to 7.18 per cent. in 1934. Declines were registered by Germany, Denmark, Spain, Australia, Gibraltar and Netherlands. Increases were registered by Belgium, Norway, Portugal and United Kingdom.

In addition declines were registered by Chile, Panama, Paraguay, Peru, Puerto Rico, Portuguese Africa and Japan, and increases by Canada, Uruguay, French Africa, British Africa, Azores, Canary Islands and Madeira Islands.

Total volume of leaf tobacco shipped from Cuba to all countries during the first six months of 1933, amounted to 11,666,407 pounds, valued at $4,388,115, compared with 9,613,156 pounds, valued at $4,499,400 during the like period of 1934. The decline in volume amounted to 17.6 per cent. and the increase in value amounted to 2.5 per cent.

Disparities that exist in comparing the value and volume of leaf tobacco during the two periods are explained by the large quantity of fine leaf tobacco exported to the United States, and the decrease in sales of low quality tobacco to the Netherlands and to Germany.

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P. Lorillard Company has a display crew working in this territory making their headquarters Yahn & McDonnell, local distributors of Briggs smoking tobacco. The crew is busy supplying dealers throughout this territory with Briggs tobacco displays and stock of this popular pipe tobacco in preparation for a new radio campaign on this brand to begin early in October.

Briggs tobacco was first introduced in Philadelphia by the P. Lorillard Co., as an experiment, and the immediate and enthusiastic welcome it received from pipe smokers in this city indicated that the Lorillard Company had discovered a "winner". Briggs is now distributed from coast to coast.

## TOBACCO TRADE ORGANIZATIONS

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JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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Office, 1181 Broadway, New York City

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**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

**Make tobacco mellow and smooth in character and impart a most palatable flavor**

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

**Write for List of Flavors for Special Brands**

**BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS**

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### CIGARS WANTED

I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

### FOR RENT

30,000 SQUARE FEET DAY-LIGHTED FLOOR SPACE IN A 3-story and concreted basement building adjacent to P. R. R. freight station in York, Pa. Building of sufficient strength to accommodate at least 50 cigar-making machines per floor. See A. Kauffman & Bro., York, Pa., for inspection and details.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

**Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.**

**Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.**

### REGISTRATIONS

**KAVKAZ:—46,353.** For cigarettes. Russian-American Tobacco Co., New York, N. Y., March 28, 1934.

**SKOAL:—46,354.** For smoking and chewing tobacco, snuff and cigarettes. United States Tobacco Co., New York, N. Y., June 27, 1934.

**N. B. C.:—46,359.** For smoking tobacco, cigars and cigarettes. August 14, 1934. Union News Co., New York, N. Y.

**TENDERLEAF:—46,360.** For cigarettes, cigars and tobacco. August 30, 1930. Philippe Poda, Boston, Mass.

### TRANSFERS

**N. B. Y. C. (New Bedford Yacht Club):—29,182** (Trade-Mark Record). For cigars, cigarettes and cheroots. Registered October 19, 1903, by I. Lewis Cigar Mfg. Co., Newark, N. J., who had acquired same by transfer from Isaac Harris, Boston, Mass., who registered this title on March 17, 1885. Transferred to F. C. C. Boyd, New York, N. Y., August 27, 1934.

**ALBANY GATEWAY:—19,549** (Tobacco Leaf). For cigars and cigarettes. Registered August 22, 1900, by J. D. Sweet, Albany, N. Y. Through mesne transfers acquired by Dearstyne Bros. Tobacco Co., Albany, N. Y., and re-transferred to E. Popper & Co., Inc., New York, N. Y., January 12, 1921.

**GRANDMONT:—46,311** (Tobacco Merchants Association). For all tobacco products. Registered March 28, 1934, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to A. Siegel & Sons, Inc., New York, N. Y., August 28, 1934.

**GOLD COAST:—46,337** (Tobacco Merchants Association). For cigars. Registered May 31, 1934, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to A. Siegel & Sons, Inc., New York, N. Y., August 28, 1934.

**ENCANTO:—46,312** (Tobacco Merchants Association). For all tobacco products. Registered March 28, 1934, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to A. Siegel & Sons, Inc., New York, N. Y., August 28, 1934.

**LA PATRONA:—46,310** (Tobacco Merchants Association). For cigars, cigarettes and tobacco. Registered March 30, 1934, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to A. Siegel & Sons, Inc., New York, N. Y., August 28, 1934.

**BOURBON FENCE RAILS:—39,641** (Tobacco Merchants Association). For cigars. Registered April 1, 1916, by Power Grocery Co., Paris, Ky. Transferred to James E. Rowland, Paris, Ky., August 29, 1934.

**QUINCY:—23,549** (Tobacco Leaf). For cigars, cheroots and cigarettes. Registered July 2, 1902, by Breslin & Campbell, Boston, Mass. Transferred to Waitt & Bond, Inc., Newark, N. J., in September, 1922.

**ATLANTIC GATEWAY:—43,518** (T. M. A.). For all tobacco products. Registered October 18, 1923, by The Moehle Litho. Corp., Brooklyn, N. Y. Transferred by American Colortype Co., Allwood, Clifton, N. J., successor to the original registrant, to E. Popper & Co., Inc., New York, N. Y., August 30, 1934.

**LITTLE PHILLIES:—15,283** (Trade-Mark Record). For cigars. Registered August 1, 1895, by Geo. S. Harris & Sons, Philadelphia, Pa. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., who had taken over the Cigar Label Department of the American Litho. Corp., successors to the original registrants, to Bayuk Cigars Inc., Philadelphia, Pa., August 1, 1934.

### CORRECTED PUBLICATION

**KAVKAZ:—46,353.** For all tobacco products. Registered March 28, 1934, by The Russian-American Tobacco Co., New York, N. Y.



VOLUME 54 No. 19

# THE TOBACCO WORLD

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## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol. 54 OCTOBER 1, 1934 No. 19


THERE still seem to be misunderstandings regarding the established minimum price of cigarettes in those States where a stamp is imposed. The amount of the stamp must be added to the established minimum price. An order from the National Recovery Administration to this effect became operative on September 17th. This means that in States having a two-cent tax, the retail unit will be fifteen cents. It means also that multiple sales of two packages will be twice fifteen cents, or thirty cents, less 5 per cent., the net being twenty-nine cents. The prices of cartons will be ten times fifteen cents, or one dollar and fifty cents, less 8 per cent, or a dollar thirty-eight cents net. If you are in a State with a three, four or five-cent stamp tax, compute the minimum price by the same formula; add the State tax to the unit price, and for multiple sales, deduct 5 per cent. when the gross is a dollar or under, or a discount of 8 per cent. when the sale runs over a dollar.

THAT is a fine and praiseworthy effort being made by national groups of retailers and wholesalers in the tobacco, candy, drug and grocery fields to work out a plan for the co-ordination and consolidation of enforcement work in connection with their codes. As Siegfried Hartman, president of the National Tobacco Council, put it, "Such a broad, fact-finding survey, provided it is conducted under expert guidance and with an intimate knowledge of all of the interrelations growing out of the National Industrial Recovery Act, will prove of value alike to the National Recovery Administration and the retail distribution trades and that only by such a procedure can sound guidance be obtained in meeting the distinctive problems of distribution." The groups in this movement are the Drug Institute of America, National Association of Tobacco Distributors, Retail Tobacco Dealers of America, Inc., Limited Price Variety Association, Inc., A. B. A. Specialty Co., National Food and Grocery Distributors, and Wholesale Confectioners Industry.

CIGAR MANUFACTURERS and jobbers are engaged in the job of filing prices in accordance with the regulations accompanying the lifting of the stay on the merchandising provisions of the code. As in the case of cigarettes, the code provides that the stamp tax must be added in the States where such taxes are in force. The Code Authority-Blue Eagle stamps which are to be put on the packings of cigars will come in two sizes, one for box goods and the other for package goods. The Authority has made the following ruling pertaining to holiday packings:

"In order to take care of the holiday package problem and of the objection raised to price marking Class E cigars or cigars packed in special containers for gift purposes, the manufacturer may apply to the container (inside or outside the special holiday wrapping) a hinged price mark, the stub to be pasted to the container. Where such merchandise, so price marked, is sold in the original container the retailer may detach the price mark from the attached stub at the time of sale. However, where the contents of such container are sold over the counter and the retailer is obliged to detach the price mark in order to expose such contents, the manufacturer shall require the retailer to re-apply the gummed price mark at some prominent place on the container."

Prices for the stamps, the revenue from which will defray the expenses of the Code Authority, are as follows: 2 cents per M on little cigars; 5 cents per M on cigars selling at 3 for 10 cents and less; 7 cents per M on cigars selling for more than 3 for 10 cents, up to and including nickel cigars; 9 cents on Class B cigars; 15 cents on Class C; 30 cents on Class D, and 40 cents on Class E.

THE TOBACCO people are getting back on the air. George and Gracie have already made their reappearance, this being their fourth consecutive year working on Robert Burns and White Owl, which probably sets some kind of a record for continuous service, and we still like their type of comedy, which seems to have been unaffected by their summer abroad. Camels and Chesterfields and Luckies will follow. It is noteworthy that the character of the broadcast programs of these makers of cigars and cigarettes is sufficiently varied to attract visitors to them regardless of their smoking preferences. Just what this means in relation to the results of the broadcasts in a sales way is something, of course, that can be the subject of one of those surveys now so popular in business.

ONE of the most amazing revelations of the census of distribution was the important part which wholesaling plays in our national economy, according to Nathaniel H. Engle, assistant director of the Bureau of Foreign and Domestic Commerce, Department of Commerce. It had been argued for years that the wholesaler was being rapidly eliminated and the few who still remained were doomed to early extinction. It came as something of a shock to learn that in 1929 there were 169,702 wholesale establishments with a volume of business just under 70 billion dollars, or nearly as great as the total value of all manufactures in the United States in the same year. Of this total, nearly 80,000 were the very type of wholesalers who had popularly been eliminated time and again over a decade. These wholesalers were very live ghosts, however, since they transacted a volume of business amounting to nearly 3 billion dollars.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Tobacco Exchange Opens in New York

## Ten Hogsheads (10,000 Pounds) is Contract Unit

FOR many years I have thought that our third largest cash crop deserved something more than the old system of auction markets to serve the needs of the grower, the merchant, the exporter, the manufacturer and the banker. It is my earnest hope and belief that this exchange will fill the need of this great industry for that protection and insurance against price fluctuation which for so many years have been enjoyed by the textile industry through the New York Cotton Exchange.

"I have already stated that tobacco ranks third in value among the crops of the country, having an annual production of nearly 1,400,000,000 pounds and an annual farm value of around $300,000,000. It represents each year more than 2,000,000 acres of cultivation. It ranks fourth in value among United States exports, amounting to about $100,000,000 each year. In its processed form tobacco has an annual value of over $1,000,000,000 and furnishes in taxes one-fifth of the total revenue of the United States Government each year.

"I cite these facts to show that the field for the New York Tobacco Exchange is a broad one, and with diligent effort conscientiously applied I am confident of its success and confident also that in succeeding it will heap great benefits upon all those engaged in the tobacco industry."

With those words, John W. Hanes, president of the newly-organized Tobacco Exchange, formally opened the exchange at 90 Broad Street, New York City, on Wednesday, September 19. Edward A. Brown, secretary of the exchange, in a detailed summary of the efforts to establish the tobacco futures market, commended the officials of the Department of Agriculture for their co-operation. He told how the idea of the exchange was born four years ago as the result of an address by Governor Gardner, of North Carolina, before a gathering of tobacco growers, warehousemen and dealers.

Members of the tobacco trade, commodity dealers, brokers and others were present in large numbers. The contract unit on the Tobacco Exchange is for ten hogsheads of approximately 10,000 pounds of tobacco. Quotations are in cents and one-twentieth of a cent per pound. The minimum fluctuation of one-twentieth of a cent per pound is known as a point, and on a ten-hogshead contract amounts to $5. A fluctuation of one cent, or 20 points, amounts to $100 on ten hogsheads.

Commissions charged by members to non-members for a round turn—that is, both buying and selling, have been fixed as follows: Up to 24.99 cents, $20 to domestic buyers and $30 on foreign transactions; 25 cents to 29.99 cents, $25 domestic and $37.50 foreign; 30 cents to 34.99 cents, $30 domestic and $45 foreign. There is an increase of $5 domestic and $7.50 foreign for the round-turn on each advance of five cents per pound. Any State or Federal tax payable on tobacco delivered on contracts is payable by the buyer. When paid by the seller in connection with delivery it is added to the contract price when delivery is made.

Trading at present is confined to the U. S. standard flue-cured type 12, grade B4F, one of the largest grades in volume grown in a normal year, and used both in export and domestic trade. It is expected that a Burley grade will be added later, but it is unlikely that cigar leaf will be traded in on the Exchange.

Memberships in the Exchange have been restricted to 250, the fee being $1000, associate membership $500. Membership is open to any male person of good character and credit and of lawful age and subject to acceptance by the Exchange.

# Come On, Retailers, Pay Your Share!

A FEW days ago, your National Association told you the necessity of organization to uphold the merchandising provisions and fair trade practices in your code. The merchandising provisions in your code were secured by way of an emergency order lasting only ninety days. That order expires on October 13. To continue these protective provisions against loss-leaders and cut-throat competition, a national survey of the industry must get under way immediately. Facts and evidence to prove the necessity of continued protection for the retailers must be had at once.

A plan to assess each retailer equitably to cover the expense necessary for this work is pending approval of the Administrator. It may be weeks before this assessment plan is approved.

The Code Authority cannot sit idly by, letting day after day slip away, when every hour is precious. The time is at hand *now* when the retailers' petition to continue minimum cigarette prices should be vigorously followed through to a conclusion.

So far, only a few retailers have contributed to the cause which will save their business lives. Every member of the retail trade should gladly bear a part of the expense necessary to properly support this undertaking by their Code Authority.

State taxes: An order compelling the addition of state taxes to the minimum cigarette prices established by the emergency order has been before NRA several weeks. Lack of funds prevents the National Code Authority submitting the great amount of evidence necessary to secure proper attention for this order. This is just a sample of the embarrassment the Code Authority suffers because of inadequate finances.

The Philip Morris Company has generously advanced $25,000 to support the activities of your code enforcement and administrative boards. The United Cigar Stores—Schulte and other large retailers also subscribed liberally to sustain this work, but no few friends or retailers, however willing, can assume responsibility for even a large fraction of the sum necessary to carry on the work of the Code Authority. Every retailer of tobacco products must participate in sharing the expense.



# Cigars Down, Cigarettes Up, in August

| | *August, 1933* | *August, 1934* |
|---|---|---|
| **Cigars:** | | |
| Class A— | | |
| United States .... | 382,403,130 | 371,792,790 |
| Puerto Rico ..... | 6,019,875 | 5,610,900 |
| Philippine Islands. | 17,240,250 | 11,276,715 |
| Total..... | 405,663,255 | 388,680,405 |
| Class B— | | |
| United States .... | 2,204,543 | 4,694,013 |
| Puerto Rico ..... | 325,500 | 206,750 |
| Philippine Islands. | 3,473 | 65,067 |
| Total..... | 2,533,516 | 4,965,830 |
| Class C— | | |
| United States .... | 46,419,178 | 44,946,630 |
| Puerto Rico ..... | 105,000 | 54,400 |
| Philippine Islands. | 24,126 | 12,650 |
| Total..... | 46,548,304 | 45,013,680 |
| Class D— | | |
| United States .... | 3,508,978 | 3,780,405 |
| Puerto Rico ..... | ..... | ..... |
| Philippine Islands. | ..... | ..... |
| Total..... | 3,508,978 | 3,780,405 |
| Class E— | | |
| United States .... | 284,688 | 238,863 |
| Puerto Rico ..... | ..... | ..... |
| Philippine Islands. | 200 | 10 |
| Total..... | 284,888 | 238,873 |
| Total All Classes: | | |
| United States .... | 434,820,517 | 425,452,701 |
| Puerto Rico ..... | 6,450,375 | 5,872,050 |
| Philippine Islands. | 17,268,049 | 11,354,442 |
| Grand Total ..... | 458,538,941 | 442,679,193 |
| **Little Cigars:** | | |
| United States .... | 24,229,200 | 18,988,147 |
| Puerto Rico ..... | 170,000 | 200,000 |
| Philippine Islands. | ..... | ..... |
| Total..... | 24,399,200 | 19,188,147 |
| **Cigarettes:** | | |
| United States .... | 11,189,333,777 | 11,809,522,453 |
| Puerto Rico ..... | 560,000 | 340,000 |
| Philippine Islands. | 95,380 | 50,500 |
| Total..... | 11,189,989,157 | 11,809,912,953 |
| **Large Cigarettes:** | | |
| United States .... | 200,200 | 134,697 |
| Puerto Rico ..... | 180,000 | 86,000 |
| Philippine Islands. | ..... | ..... |
| Total..... | 380,200 | 220,697 |
| **Snuff (lbs.):** | | |
| All United States.. | 3,194,155 | 3,042,763 |
| **Tobacco, Mfd. (lbs.):** | | |
| United States .... | 29,747,965 | 27,905,054 |
| Philippine Islands. | 24 | ..... |
| Total..... | 29,747,989 | 27,905,054 |

### CIGAR CODE AUTHORITY RECOGNIZED

The National Recovery Administration has announced official recognition of the Code Authority for the cigar manufacturing industry. The members are as follows:

Harvey L. Hirst and Frank P. Will, both of Philadelphia, and B. G. Meyer, New York, representing machine manufacturers; Fred Davis and D. Emil Klein, both of New York, and Jacob Mazer, Detroit, representing hand manufacturers, and J. J. Hast, Pittsburgh, and Arthur Schwartz, New York, representing those of the industry who are not members of the Associated Cigar Manufacturers and Leaf Tobacco Dealers.

Ira M. Ornburn is the labor member of this Code Authority, and Robert E. Rinehart represents the Administration.

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Rosa Ponselle, Grete Stueckgold, Nino Martini, with Andre Kostelanetz' Orchestra and choral group return to the air under the sponsorship of Liggett & Myers Tobacco Co. for Chesterfield cigarettes, every Monday, Wednesday, Saturday, nine to nine-thirty P. M., starting October 1st.

### CHESTERFIELD ON AIR AGAIN

THE premiere of Nino Martini's weekly broadcasts and the introduction of clever episodes in "Syncopated History" will be highlights in the second program of the resumed three-a-week Chesterfield series with Andre Kostelanetz' Orchestra and Variety Singers, to be heard from 9 to 9.30 P. M., EST, Wednesday, October 3, over the WABC-Columbia network. The young radio and operatic tenor, who recently returned from a visit to his native Italy, will offer three selections. His aria will be one of the most famous in the operatic repertoire, "O Paradiso" from "L'Africana," Meyerbeer's opera written around the exploits of Vasco di Gama.

The aria expresses the explorer's joy and admiration on the discovery of the beauties of a tropical land of which he had always dreamed. Martini will also sing Penn's popular ballad, "Sunrise and You", and "Adios, Granada," farewell toast to the beautiful women of Spain, by Barrera and Calleja.

Kostelanetz will introduce a distinct novelty in radio presentations in the episodes of "Syncopated History", to be performed each Wednesday by the orchestra and the 17 Variety Singers. Written by Charlie Henderson and Pat Ballard, the episodes are sophisticated satires on famous people and events, presented in miniature operetta form. "Mr. Nero," telling in music and lyrics what might have happened during the famous burning of Rome, will be the first of the series. Other features will be "Limehouse Blues", presenting the Stella Friend Quartet, a unit from the Variety Singers, and two orchestral offerings, "The Very Thought of You" and "Say It."

### BAYUK BREVITIES

IN the Trenton, N. J., territory where Bayuk Phillies enjoy active demand and sale the brand is distributed by A. D. Hanauer—ever ready to effect prompt dealer service. . . . A recent visitor at the Bayuk factory was Charles McIntosh of William F. McIntosh Co., Edgerton, Wis., leaf dealer, and Mrs. McIntosh, who hailed their trip through the plant as a most interesting experience. . . . Joseph Friedman Sons, Inc., Bayuk distributor, Bethlehem, Pa., is doing a fine job on Bayuk Phillies, and reports a steady call for this popular cigar. . . . From Los Angeles, California, where Bayuk Phillies are sold through Haas, Baruch & Co., under the supervision of John J. Snyder, territorial manager, the factory is receiving substantial orders with regularity in keeping with the remarkable consumer acceptance of the brand in that territory.

### G. H. P. ACTIVITIES

D. A. JENKS, assistant sales manager for G. H. P. Cigar Co., spent the week in New York State, attending meetings of the company's branch houses in New York, Rochester and Buffalo, promoting, of course, the El Producto and La Azora lines, which recently inaugurated their annual fall advertising campaigns . . . Frank P. Will, executive vice-president, has not been able to get a moment's respite after his herculean labors in behalf of the merchandising provisions of the code, his own business and code work still keeping him on the hop.

### MANNIE PEREZ, A. C.

UNDER the leadership of Mannie Perez, Associate Captain, nineteen cigar and tobacco men from points along the Atlantic Seaboard, attended the men's week-end retreat at St. Joseph's in the Hills, Malvern, Pa., beginning Friday evening, September 21, and ending the following Sunday afternoon. Among the retreatants recruited from the tobacco trade were: Charles Waters, John Flanigan, and John Pappero, Yahn & McDonnell; Harold Dean, Wilmington; J. L. McGuerty, Romeo y Julieta; J. Culver Wolf, New York; Carl A. Werner, Editor "Tobacco Leaf"; Joe Martin, Nicholas Co., Inc.; J. T. Scully, Boston; Mr. Cunningham, Max Schwarz Co.; Mr. Nathaway, Benson & Hedges; Mr. Miller, Hotel Astoria Cigar Stand; Mr. Sullivan, Hotel Pennsylvania Cigar Stand.

## Trade Notes

Barton Lemlein, of M. Sacks & Co., New York City, was a visitor here last week.

James Stillwell, popular member of the sales force of Yahn & McDonnell, who was injured in an automobile accident a few weeks ago, is still confined to his home, but expects to be able to resume his duties in a short time.

The Gimbel Bros. department store cigar stand has a splendid display of Don Sebastian and Wagner cigars this week, which is producing new friends for these quality brands. Both brands are being shown in a variety of sizes ranging up to three for 50 cents.

The new International Restaurant, which has recently opened for business in the basement of the Widener Building formerly occupied by the Arcadia Cafe, is enjoying an excellent call for Yahn & McDonnell brands. Yahn & McDonnell brands are supplied exclusively at the cigar stand in this new restaurant.

Frank Flanigan, in charge of the M. J. Dalton branch of Yahn & McDonnell, at 617 Chestnut Street, is receiving commendation on the attractive display of Langsdorf cigars, product of S. H. Furgatch y Ca., which he is featuring in his window this week, and which is producing new friends for the brand.

Mr. Joseph Wagner, of John Wagner & Sons, Dock Street, distributors of imported and domestic cigars and tobacco products, has just returned from a few weeks' trip to England, returning via Havana and Mexico City. During his stop in Havana Mr. Wagner visited the Romeo y Julieta factory and was impressed by the splendid organization in the factory and the fine workmanship displayed. Mr. Wagner reported business was going on at a good pace and the owners of the factory were much encouraged over the recent increase in demand for their product in this country.



# Dividend—Not Price Cut

## How This Company Handled Reduction

By JEROME KLORFEIN

Vice President, Garcia Grande Cigar Co., Inc.

AS IN many other industries within the last few years, there has been a gradual change in the field of cigar manufacturing. Competition had reached a high point. Marketing experts had been employed by the different production units to seek solutions for the many problems that arose from such keen competition. An unusual change that occurred was in the public acceptance of the five-cent cigar.

As a part of our merchandising policy, which has been successful for over thirty years, we manufactured both a five-cent and ten-cent cigar. The former was called the "Baby" and the latter the "Queen." The "Baby" size was the smaller cigar and the "Queen" the larger shaped cigar. It became evident to us that the trend was toward the five-cent cigar, and in view of this fact we exerted most of our sales effort behind this unit.

This swing toward the cheaper cigar was not simply a question of economic necessity—cigar manufacturers were developing a larger and better five-cent cigar than had ever previously been produced. Along with the current trend, the Baby size increased in demand, while the sales of the Queen had remained fairly static.

At one of our weekly conferences it was suggested by one of our executives to reduce the price of the Queen to five cents. Months of deliberation between our buyers and our executives immediately followed this suggestion. We found that owing to the advantages of buying our stock of tobacco during a depressed period, and due to the fact that such a price reduction would greatly increase our volume of business, we were able to make such a daring move.

This would not only immediately increase our five-cent business, but at the same time pass on to the consumer the savings which had accrued from the wise purchasers of large quantities of raw material in the open market. It was felt that tobacco which was intended for the use of ten-cent cigars, having been bought at unusually low prices, rightfully belonged to those consumers who made it possible for us to make such purchases, and that they should be given the real advantage.

The only problem was whether this particular shape would be pleasing to the Baby smoker and also garner for us a bumper crop of smokers of competitive brands of cigars.

Some 500 stores were chosen for a test throughout the metropolitan and urban districts surrounding New York City and other large centers such as Chicago, Cleveland and Detroit. In each store we placed on the counter a box of Babies. The sale of this size was accurately checked by our divisional managers and within a short time we then placed a box of Queens (priced at five cents) alongside of the box of Babies. We immediately ascertained that the sale of these two sizes far exceeded the sale of any one competitive brand.

Subsequently, the box of Babies was removed from the counter, but the sale of Queens continued to go ahead. However, upon questioning the individual dealers we found that in spite of the fact that the Queen remained on the counter in a prominent position, numerous smokers insisted on the Baby size. This would indicate that we have secured two individual shapes which appeal to two different types of smokers in the five-cent field. It was also more or less proved that our sales volume would be greatly benefited by the reduction of the Queen to five cents.

The question of advertising was the next important factor to consider. The opening advertisement carried with it the caption, "Collect Your 50 Per Cent. Dividend." In the last few years, the declaration of a dividend has been hailed as an almost epoch-making event, and consequently the public interest in such a message was immediately aroused. So appealing was the nature of this campaign, that the sale on the Queen size showed a decided increase almost immediately, while orders from our branches and distributors throughout the country indicated that there were still many smokers who wanted the smaller shaped cigars. We also employed liberally such dealer helps as window streamers, window displays, outdoor and indoor displays of all types, and also used with a great deal of success large twenty-four-sheets scattered throughout the metropolitan area.

Our fall campaign which begins duing the week of September 24th and will run through Christmas will be twice as large as the previous campaign. Most of the characteristic elements of typography and layouts will remain unchanged. The message instead of being "Collect Your 50 Per Cent. Dividend" will read "Garcia Grande Continues Its 50 Per Cent. Dividend." This will convey to the consumer the message that the reduction of the price of the Queen size has become a permanent plank in our merchandising platform, and he is therefore assured of enjoying a quality cigar at a satisfactory price.

A high pitch of enthusiasm permeates our entire organization. Broadsides of new copy are constantly being mailed to salesmen along with sales letters urging them to do their part. The three factors of sales efforts, advertising and quality have all served their purpose to make our campaign a huge success.

*The foregoing is reprinted from the September 20th issue of Printers' Ink.*

### TAI VISITS OUR FACTORIES

K. S. Funder Tai, president of the Hwa Ching Tobacco Co., of Shanghai, one of the largest tobacco firms in China, and a large customer for American tobacco, has arrived in this country for an inspection of American factories and tobacco markets. He predicts that American tobacco will find an increasing market in China, which now ranks second to Great Britain as a buyer of this product.

# Cigars Up 147 Millions in 8 Months

| | *First 8 Mos. Cal. Year 1934* | *—Decrease +Increase Quantity* |
|---|---|---|
| Cigars: | | |
| Class A— | | |
| United States ... | 2,527,262,640 | + 94,517,520 |
| Puerto Rico .... | 37,747,220 | + 1,347,025 |
| Philippine Is..... | 139,609,220 | + 43,158,470 |
| Total ..... | 2,704,619,080 | + 139,023,015 |
| Class B— | | |
| United States ... | 30,327,089 | + 12,750,006 |
| Puerto Rico .... | 1,045,200 | — 1,175,350 |
| Philippine Is..... | 319,474 | + 187,994 |
| Total ..... | 31,691,763 | + 11,762,650 |
| Class C— | | |
| United States ... | 340,694,066 | — 400,542 |
| Puerto Rico .... | 455,550 | + 58,520 |
| Philippine Is..... | 105,212 | — 32,736 |
| Total ..... | 341,254,828 | — 374,758 |
| Class D— | | |
| United States ... | 23,916,045 | — 2,896,941 |
| Puerto Rico .... | 1,500 | + 1,000 |
| Philippine Is..... | 1,250 | — 76 |
| Total ..... | 23,918,795 | — 2,896,017 |
| Class E— | | |
| United States ... | 1,951,621 | — 481,875 |
| Puerto Rico .... | ..... | ..... |
| Philippine Is..... | 765 | + 344 |
| Total ..... | 1,952,386 | — 481,531 |

| | | |
|---|---|---|
| Total All Classes: | | |
| United States ... | 2,924,151,461 | + 103,488,168 |
| Puerto Rico .... | 39,249,470 | + 231,195 |
| Philippine Is..... | 140,035,921 | + 43,313,996 |
| Grand Total .. | 3,103,436,852 | + 147,033,359 |
| Little Cigars: | | |
| United States ... | 154,504,800 | + 14,129,547 |
| Puerto Rico .... | 1,601,000 | — 373,000 |
| Philippine Is..... | ..... | ..... |
| Total ..... | 156,105,800 | + 13,756,547 |
| Cigarettes: | | |
| United States ... | 85,661,788,183 | +7,237,140,086 |
| Puerto Rico .... | 2,754,250 | + 197,650 |
| Philippine Is..... | 1,499,020 | + 571,470 |
| Total ..... | 85,666,041,453 | +7,237,909,206 |
| Large Cigarettes: | | |
| United States ... | 87,303,685 | + 85,635,450 |
| Puerto Rico .... | 426,000 | — 189,000 |
| Philippine Is..... | 200 | — 1,737 |
| Total ..... | 87,729,885 | + 85,444,713 |
| Snuff (lbs.): | | |
| All United States | 25,525,677 | + 1,202,781 |
| Tobacco, mfd. (lbs.): | | |
| United States ... | 210,523,971 | + 390,514 |
| Philippine Is..... | 23 | — 104 |
| Total ..... | 210,523,994 | + 390,410 |

# To Stabilize Marketing of Two-fers

AS WE go to press, a public hearing is being conducted in the Mayflower Hotel, Washington, on proposals of the Code Authority for the cigar manufacturing industry and intended to stabilize the marketing of two-for-five-cent cigars, Deputy Administrator I. S. Moise, presiding. The Code Authority asks the Administration to put into effect eleven recommendations. One would have all manufacturers of "cigars, stogies and cheroots made to retail at two for five cents" become bound by all the provisions of the cigar manufacturing industry code. Because of unstable market conditions, certain exemptions from the code have been granted.

The Code Authority also proposes that two-for-five cigars sold in the continental United States shall weigh not more than eighteen pounds per thousand, and shall be packed at least 100 to the container.

The price of such smokes weighing thirteen to eighteen pounds per thousand would be set at a minimum at $20 a thousand to the retailer, and $18 per thousand to the jobber, in each case subject to 2 per cent. cash discount. For such cigars weighing less than thirteen pounds per thousand the minimum prices would be forty cents per thousand less. Special allowances "which in effect reduce the prices" would be forbidden.

The Code Authority proposes further that all exemptions from the code terminate October 1st, and that the minimum price provisions become effective then. The weight limitation and the restriction on method of packing, would go into operation on January 1st.

Cheroots weighing less than thirteen pounds per thousand, and so-called "little cigars," would not be affected by any of the proposed rules.

It was pointed out that adoption of the proposals would not change the cost of two-for-a-nickel cigars to the consumer.

The regulations would be effective on all sales of two-for-five smokes, whether of domestic manufacture or imported.

**RAILROAD HISTORY** entered a new phase as the Burlington's "Zephyr" flashed across the Great Plains from Denver to Chicago—1015 miles in 785 minutes—to set a whole flock of new records! Jack Ford was at the throttle.

**SPORTSWOMAN PILOT.** Mrs. Cecil Kenyon says: "Morning, noon and night I can smoke Camels steadily—without a touch of upset nerves."

**SECRETARY.** Elizabeth Harben: "I am careful in my choice of cigarettes. I prefer Camels. They don't make my nerves jumpy."

## A PLEASURE that drives away fatigue and listlessness!

Jack Ford, Burlington engineer, says:

"When the 'Zephyr' rolled to a stop at Chicago, I'd been through a lot of excitement and strain and felt pretty much used up. But a Camel quickly gave me a 'lift' and I felt O.K.

"Most engineers prefer Camels. And Camels help to increase their energy when they feel worn out. I've smoked a lot of Camels in my time, and that goes for me—all the way."

Everyone is subject to strain—whether physical, mental, or emotional. So it's important to know that Camels do release your stored-up energy.

The findings of a famous scientific laboratory confirm Camel's "energizing effect." So begin today to enjoy Camels *often!* For the costlier tobaccos in Camels never affect the nerves.

**LEAF-TOBACCO EXPERTS AGREE:**
**"Camels are made from finer, More Expensive Tobaccos—Turkish and Domestic—than any other popular brand."**

**TUNE IN!** *CAMEL CARAVAN with Glen Gray's Casa Loma Orchestra, Walter O'Keefe, Annette Hanshaw, other headliners. TUESDAY, 10 P. M., E. S. T.—9 P. M., C. S. T.—8 P. M., M. S. T.—7 P. M., P. S. T. THURSDAY 9 P. M., E. S. T.—8 P. M., C. S. T.—9:30 P. M., M. S. T.—8:30 P. M., P. S. T., over WABC-Columbia Network.*

**Camel's Costlier Tobaccos never get on your Nerves!**

Copyright, 1934, R. J. Reynolds Tobacco Company

# Tobacco Trade in Foreign Markets

LIVERPOOL—The market for American tobaccos was considerably more active during July than during the previous month and showed an even greater improvement over a year ago, according to the monthly Liverpool tobacco market report by American Vice Con- P. H. Hubbard, made public by the Tobacco Division, Department of Commerce. During July, 1495 hogsheads of American tobacco were imported into Liverpool compared with 7973 in June and 3124 a year ago. The large decrease in comparison with a month ago was due principally to the scarcity of supplies. Imports during the first seven months of the year are approximately 10 per cent. less than those during the same period last year. This decrease is also due principally to shortage of supplies.

Deliveries at Liverpool during July totaled 6101 hogshead compared with 13,451 hogsheads during June, and 5223 during July 1933. Deliveries at Liverpool were abnormally large during June and it is believed that it is for that reason that they were relatively small during the present month under review. Since January 1, 1934, 50,281 hogsheads of American tobacco have been delivered in Liverpool, as compared with 28,314 during the same period of 1933. From these figures it may be seen that deliveries increased by approximately 80 per cent. during the first seven months of the present year as compared with the same period a year ago.

Stocks of American tobacco at Liverpool at the end of July amounted to 91,663 hogsheads compared with 89,427 at the end of June and 102,147 a year ago. Stocks at Liverpool were therefore approximately 10 per cent. less than a year ago. Total stocks in Great Britain decreased by appoximately 12 per cent.

The prevailing prices of American tobaccos, as furnished by a leading Liverpool importer show no change from the prices quoted last month.

LAS PALMAS—Import statistics covering imports of leaf tobacco into the Province of Los Palmas, Canary Islands, during the first quarter of 1934, as obtained from the Free Port Administration of Las Palmas, by American Consul C. R. Wharton, and made public by the Tobacco Division, Department of Commerce, show an increase of 109,465 pounds over the last quarter of 1933. Total leaf imports into the Province of Las Palmas in the first quarter amounted to 522,327 pounds, of which 260,185 pounds were credited to the United States.

Imports of leaf from the United States consisted of dark tobaccos of Kentucky, Tennessee and Virginia. No information is available in regard to types of tobacco imported from other countries. Imports from other countries include Cuba, 67,538 pounds; Brazil, 1984; Mexico, 366; Netherland India, 5351; Dominican Republic, 149,490; Paraguay, 26,539; Bulgaria, 6008; Hungary, 1689; Panama, 1656; and Palestine, 1523.

SANTA CRUZ DE TENERIFE—There were imported in Santa Cruz de Tenerife during the first quarter of 1934, according to official statistics 481,015 pounds of leaf tobacco, of which 145,058 pounds were credited to the United States. Reviewing statistics furnished by the administration of the port, American Consul David J. D. Myers in a report made public by the Tobacco Division, Department of Commerce, states that by ports of embarkation, there were landed at Santa Cruz de Tenerife 15,434 pounds of leaf tobacco from Hamburg and Bremen; 1255 pounds from Liverpool; 16,682 pounds from Antwerp; 248,994 pounds from the Netherlands; 9039 pounds from Cuba; 44,553 pounds from Spain, and 145,058 pounds from New York and New Orleans. The most of that embarked in Europe is of doubtful origin. Private statistics show that 48,735 pounds of Cuban leaf and 11,465 pounds of Santo Domingo leaf were imported during the quarter.

CZECHOSLOVAKIA—The Czechoslovak Tobacco Monopoly made an attempt to increase tobacco production in Southern Slovakia and Ruthenia where production was small, since that part of the country possesses favorable conditions and in 1919 production was commenced by 372 farmers. The sown area of 603 hectares produced approximately 500,000 pounds of tobacco which netted the sum of 1,413,000 crowns.

The Government tried by various means, such as allowing credit, giving tracts of land, and subsidizing tobacco farmers, to increase this production and was successful to the extent that in 1929, that is, after a period of ten years, the sum of 54,473,603 crowns was paid to 4517 farmers for 20,206,724 pounds of tobacco. The area sown in 345 districts was 6377 hectares. The number of applicants for tobacco-raising permits increased steadily and the Government now gives such permission only in special cases and only to qualified applicants. The tobacco farmer is under constant Government supervision and may sell his product only to the Tobacco Monopoly. He must also use only seeds given him by the Monopoly free of charge. The farmer having the best tobacco, as regards quality and appearance, receives a reward in the form of a bonus.

The Czechoslovak Tobacco Monopoly manufactures cigars, cigarettes, cigarette, pipe and snuff tobacco, and tobacco extract. Tobacco extract is obtained in the manufacture of special cigars called "virzinka"; it is the refuse after "washing" of "virzinka" tobacco and is used as an insect destroyer on farms, especially hop farms. One important feature all the products of the Tobacco Monopoly have in common is that they are all made of various kinds of tobacco, no one brand alone is ever used; in other words, blends.

SOUTHERN RHODESIA—The Tobacco Division, Department of Commerce, has been advised by American Acting Commercial Attache E. B. Lawson that in Southern Rhodesia the June quarter witnessed the completion of the curing of the current season's tobacco crop and deliveries were being made in considerable quantities. Normally the largest part of the exports of tobacco are despatched during the third quarter of the year, and it is expected that the period July-September will record the greatest volume of tobacco shipped to Great Britain, the chief export market for Rhodesian tobacco.

Statistics of tobacco production during the 1933 season were published during the current quarter and, according to returns supplied by growers, the total crop of tobacco in 1933 amounted to 14,170,642 pounds comprising Flue-cured 12,927,413 pounds, Fire-cured 787,727 pounds, Sun-cured 43,157 pounds, Air-cured 14,089 pounds, and Inyorka 4900 pounds.

A forecast of tobacco plantings of the 1933-34 season, the crop of which is now being sold, indicated a

very substantial increase in the current crop, but as yet no official crop figures have been issued. It is estimated in reliable quarters that the total volume of tobacco coming in the market will be 17,000,000 pounds to 20,000,000 pounds but the approximate figure is indeterminable at this time. The quality of the leaf is believed to be higher than it was last year.

Anticipating an unusually large crop, the Southern Rhodesia Tobacco Association introduced measures to prevent a disastrous break in price due to a large crop surplus. The latest scheme to keep the Colony's production of tobacco within marketable limits is designed to provide flexible control of production. It provides that in the event of overproduction next season, all growers who have produced in excess of their 1934 crop will be compelled to withhold from the market such proportion of the excess crop as the Council of the Association may consider advisable. Provision is also made that such growers will be allowed, if they can do so, to dispose of their excess in any market other than the United Kingdom, Union, or local markets. The scheme is expected to be successful only if supported by the growers.

GREEK MACEDONIA AND THRACE—Although several months ago conditions in the international market appeared favorable for the disposal of the old Greek tobacco stocks held by the free trade and banks, the movement of these stocks has not developed as anticipated owing largely, it is claimed to lack of effective organization.

As set out in a report by American Consul Harry L. Troutman, made public by the Tobacco Division, Department of Commerce, to overcome the situation as regards the sale of old stocks of Grecian tobacco, the Union of Offices of Protection of Greek Tobaccos recently suggested the organization of a company which would also be participated in by all banks holding tobacco stocks as collateral for cash advances to tobacco merchants, and which would concentrate all old stocks of the free trade and banks, assume their maintenance and undertake their sale under the barter system. The Minister of National Economy is quoted as being prepared to request the government to allow, in excess of existing import quotas, the importation of various kinds of merchandise accepted in exchange for the tobacco. As the old stocks of tobacco mortgaged with the banks have depreciated in value, it has also been proposed that the merchants be legally relieved from the payment of any deficits between the sums borrowed and the amounts realized from the sale of these stocks. The banks are reported to have accepted these proposals in principle, and are now said to be in negotiations for the realization of this scheme.

UNION OF SOUTH AFRICA—According to a report to the Tobacco Division, Department of Commerce, by Acting Commercial Attache Edward B. Lawson, there has been no change in the official estimates of tobacco production for the 1933-1934 season in the Union of South Africa and a total of something less than 14,000,000 pounds (not including native reserve) is anticipated. Virtually all of the production will be of the Virginian type as only 175,000 pounds are estimated to be Turkish. The quality of leaf received by the co-operatives was reported to be satisfactory and buying progressed at normal rates. Prices, although not high, are generally regarded as satisfactory. The import situation has not changed and there is yet no indication of the probable alteration in the Southern Rhodesa-Union of South Africa Customs provision concerning the quota of Rhodesian tobacco permitted to enter the Union annually.

BAHIA—During the month of June 1934 the shipments from the interior into Bahia, Brazil, amounted to 57,920 bales of tobacco, and the stocks on hand on June 30, 1934, reached the total of 149,648 bales. (American Consul Lawrence B. Briggs.)

CUBA—The Council of Secretaries of the Cuban Government approved on August 24, 1934, a decree-law reducing the stamp tax on cigarettes from one cent to three-quarters of a cent on a package containing sixteen cigarettes, or less, and to one and a half cents on a package of cigarettes containing in excess of sixteen cigarettes. Since the new trade agreement with Cuba provides for national treatment, American cigarettes in packages of twenty will pay a stamp tax of one and a half cents as against the present tax of ten cents per package. (American Commercial Attache Walter J. Donnelly.)

ONTARIO—According to press despatches from Delhi, Ontario, material damage in Norfolk County to tobacco crops has been caused by severe frost and plants on approximately 4000 acres were killed. Based on the average production of 700 pounds to the acre this would cause this year's yield to be 2,800,000 pounds less than would otherwise have been expected. The destruction of 4000 acres with the already decreased acreage of 25 per cent. from last year's planting will have a material showing in this year's production. (American Commercial Attache H. M. Bankhead.)

BRITISH COLONIES—During July the market for British Empire tobaccos was quiet. Imports increased from 862,895 to 1,118,830 pounds. Deliveries from warehouse during July were only slightly greater than in June. (American Consul Phil H. Hubbard.)

CZECHOSLOVAKIA—The Czechoslovak Tobacco Monopoly sold a total of 954,500,000 cigarettes in July as against 986,500,000 in June. The bulk of cigarette sales was of the cheapest grade, amounting to 740,000,000 in July and 768,000,000 in June. Further sales in July included 14,040,000 cigars, 101,282 pounds of cigarette tobacco, 1,385,106 pounds of pipe tobacco, and 9259 pounds of snuff. June sales included 14,700,000 cigars, 105,270 pounds of cigarette tobacco, 1,567,834 pounds of pipe tobacco, and 10,472 pounds of snuff. It will be noted that sales of all tobacco products in July were below those in the preceding month. (Clerk in Charge T. J. Hadraba.)

GERMANY—Total receipts of the German Government from tobacco taxes during May 1934 amounted to RM 53,500,000, as compared to receipts of RM 50,300,000 during the preceding month, and as against RM 55,500,000 obtained from these taxes during the same month of the preceding year. Of the month's receipts, 24.2 per cent. came from the tax on cigars, 61.4 per cent. from cigarettes, 0.3 per cent. from chewing tobacco, 0.7 per cent. from cigarette tubes, 0.1 per cent. from finely cut smoking tobacco, 8.7 per cent. from tax privileged finely cut tobacco, 4.5 per cent. from pipe tobacco, and 0.1 per cent. from snuff tobacco. Production during May included 604,900,000 cigars, 3,152,000,000 cigarettes, 14,700,000 pieces of chewing tobacco, 145,000,000 cigarette tubes, 5.1 tons of finely cut smoking tobacco, 1205 tons of tax-favored fine cut, 1602 tons of pipe tobacco, and 135.5 tons of snuff tobacco. (American Vice Consul Zawadski.)

IRISH FREE STATE—The grower of tobacco during the coming year in the Irish Free State will



*Cigars are the most pleasurable and economical form of smoking.*

# BAYUK BULLETIN

NRA MEMBER U.S. WE DO OUR PART

VOLUME II. OCTOBER 1, 1934 NUMBER 18

## PHULOFAX

*(The Retailer's Friend)*

## SAYS

Labor Day, looked upon as the last lay-off day, has come and gone . . . now with vacations out of our systems, let's get going!

—o—

"Sold more box lots of cigars Friday and Saturday before Labor Day than any preceding year . . . had all popular brands stacked up on my case . . . prices plainly marked . . . made little selling suggestions and GOT THE BUSINESS," so says M. R. L., a progressive retailer.

—o—

Phil will bet a load of coal against a load of ashes that this same progressive retailer is already working on plans to sell cigars by the box for Thanksgiving Day.

—o—

Incidentally, it is NOT TOO EARLY to scheme up stunts for Christmas sales . . . start planning to sell 'em 50 cigars—not just 25!

—o—

When a product goes over big in a salesman's territory, to what factor should credit be given? To the quality of the product? To the publicity back of the product or to the salesman selling the product?

Difficult, Phil admits, to attribute the right proportion to each of these dominating factors BUT we, as salesmen, should so perform our job that we get at least 33⅓% of the credit. Right?

—o—

J. P. G., our punster, sends this in: "With all the strike talk in the air these days, did you ever stop to think that matches were always on a strike?"

Send another in like that, Percy, and your light goes out!

—o—

"Because of seasonal conditions, August is usually one of our dullest months . . . August 1934 was the biggest month this year. The reason can be summed up in a four letter word, starting with W and ending with K," proudly proclaims C. F. B.

Wonder what in the name of heaven those two other letters can be . . . Phil will ask Mrs. Phil . . . she does cross word puzzles.

—o—

The Game of Selling is not a Game of Magic. Its rules and regulations are not in a cipher code of mystery but are clear and open to all who seek to learn—with the rich recompense of the more you learn, the more you earn. You can be led to the tank of knowledge but you, yourself, must THINK.

*Phil M. Phulofax*

D. B. I.

**Associated with* BAYUK CIGARS INC., *Philadelphia — Makers of fine cigars since 1897*

## HE TALKED HIMSELF INTO IT

### *The Harder They Kick, the Tighter They're Caught — Sometimes*

By F. J. H.

You often hear of a salesman talking himself out of a sale, but some time ago I had a customer who talked himself into one. He was about as close a buyer as I ever met. His one idea was how long a profit he could make on a cigar and he wasn't backward about saying so. I never had sold him my brand and it looked like I never would. But I thought I'd give him one more whirl.

This particular day I stepped into his shop and started to give him the works about the quality of my cigar. "Save your breath," he said. "I don't mind admitting you've got as fine a five cent cigar as there is. If it's any consolation to you, I'll admit it's the best of the lot. But—I make a longer profit on the brands I carry and profit is the only thing that talks to me."

I happened to cast my eye around and noticed there were several customers in the store and they seemed to be taking an interest in the argument. So I egged him on to spread himself.

"Well," I said, "Jones and Smith and the O. K. Smoke Shop —every dealer in this part of town carries my brand."

"I guess maybe they're all in business for their health or something. But not me, boy. I've told you you've got a swell cigar. But until you give me a better price—" All at once he stopped. He's no dummy and he saw he'd put his foot in it up to the ankle. He could hear those customers' minds working, and he knew they were a darn sight more interested in the quality of the smoke they got than in the profit the dealer made. And (worst of all) they'd heard me say all the other dealers were carrying my cigar.

"Hell," he said. "Send me a hundred. I'll lose money on 'em but send 'em along anyway."

"No, you won't lose money on 'em," I said. "Give 'em a good break on the display and I'll guarantee they'll be the biggest money maker in your store. They've got the quality, they're well advertised, they've got a tremendous demand. The only kind of profit that counts is *volume* profit."

"O. K.," he said. "But if there are any of these cigars left, next time you come in here, I'm going to make you eat 'em."

That's been quite a time ago now and I haven't eaten the cigars. But I've sold that customer a good many thousand since. You see, it's his best seller.

(*Continued in next column*)

BAYUK BRANDS BUILD BUSINESS

'Bayuk Phillies'
(BAYUK PHILADELPHIA PERFECTO)
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet

## LOOK AROUND FOR THE "FORGOTTEN CUSTOMER"

Every once in a while (so Joe Floersheimer advises his fellow cigar salesmen) it's a great idea to check up your route list for the "forgotten customer".

This forgotten customer may be a prospect who was so hard boiled that you finally gave him up as a bad job. How do you know that better business conditions haven't softened him up a bit? Then, there's the chap whose credit used to be bad. Well, credit ratings have a way of changing.

There are other customers you have forgotten because you never knew them. What about the new drug store or grocery or tap room that has been opened up recently? What about that stationery store or barber shop or lunchwagon which doesn't carry cigars at all—maybe, because nobody ever sold them the idea?

There are plenty of forgotten customers in the best salesman's territory. Let's look them up.

**Everybody's a football fan these days. Now's the time to put that football display in your window, Mr. Retailer. And especially on the days of the local games, don't forget to display your five-packs with the suggestion that it would be a good idea for the masculine rooters to stock up for the game.**

## THE OLD GENTLEMAN MUST BE FEELING BETTER

We used to worry about the stock market because somebody told us it was a barometer of business conditions. We used to strain our eyes over those wriggly looking charts the statisticians put out—and set ourself problems like this: "If car loadings are down and retail sales are up, how many bushels of corn to the acre in Kansas next summer?"

But no more. These days we don't even pretend to know nothing about nothing but the cigar business. We observe that Uncle Sam is smoking more, a whole lot more, cigars this year than last. From this one circumstance we deduce that the old gentleman must be feeling better.

We wonder, if everybody stuck strictly to his own knitting and let the statisticians attend to theirs, whether business wouldn't be a long way further out of the woods than it is.

TIGHT BINDING

realize an average of about 1/5 per pound. There were, in fact, applications at a price of 2d. a pound less, because it was increased by 2d. in the Budget. At 1/3 a pound there were applications for 8500 acres, but only about 1000 acres could be allowed for this year. Even on that basis it will probably be necessary to include quite a high percentage of the tobacco in plugs and pipe mixtures during the coming year, and quite a small percentage in the cigarette tobacco. (American Charge d'Affaires ad Interim James Orr Denby.)

BULGARIA—The German Reemtsma concern has recently made an agreement with the Bulgarian tobacco co-operatives to purchase 1,500,000 kilograms (3,306,900 pounds) of Bulgarian tobacco of the crop of 1932. The price attained by the Bulgarian tobacco growers amounted to about 45 Leva per kilogram, which is considered to be a satisfactory yield. The total amount of almost 70,000,000 Leva involved in this transaction will be paid out in Reichsmarks, which will be utilized in the purchase of German products for the Bulgarian market. (American Consulate General.)

MANILA—The leaf tobacco market in Manila continued quiet during August. General buying of 1934 crop commenced at the end of August at conservative prices. Exports of leaf, strips and scraps which are still very weak, with shipments to Spanish Monopoly making up the greater part of the total, amounted to 817,907 pounds, of which Australia took 4409 pounds, China 4409 pounds, France 28,660 pounds, Hongkong 24,251 pounds, North Atlantic Europe 83,775 pounds, Spain 577,605 pounds, Uruguay 11,023 pounds, the United States 72,752 pounds, while the remainder was scattered. Cigar exports to the United States in August totaled 14,800,000 pieces. (American Trade Commissioner in Charge C. Grant Isaacs.)

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## CIGAR MERCHANDISING PLAN

TO OBVIATE any misunderstanding of the provisions of the Cigar Merchandising Plan on the part of manufacturers and distributors, the Tobacco Merchants Association has issued a bulletin on the subject as follows: The "cigar merchandising plan" which forms a part of the cigar manufacturing, the Wholesale Dealers' and the Retail Dealers' Codes, and which, upon approval of these respective Codes, was temporarily stayed, has now become effective pursuant to an order issued by the N. R. A.

Particular attention is directed to paragraphs 1, 2 and 3 of said order, reading as follows:

"(1) Cigar manufacturers shall file retail prices, discounts and credit terms with the Council forthwith and said prices, discounts and terms shall be published and become effective immediately upon filing.

"(2) Jobbers and sub-jobbers shall file their discounts and credit terms within fifteen days after the date hereof and said discounts and credit terms shall be published and become effective immediately upon filing.

"(3) The waiting periods of five and three days contained in Article VI, Section 1, and Schedule I, Part (a), Section 1, and in Schedule I, Part (b), Sections 1 and 2, respectively, which were heretofore stayed in the Executive Order approving the Code, shall not become effective notwithstanding this order terminating the stay of said cigar merchandising plan."

## SOME NOTES ON GRACIE'S VOICE

ANNOUNCEMENT that Burns and Allen would sing a "mystery" number on each of their CBS programs with Bobby Dolan's Orchestra was received with some incredulity by their friends. But since the matter has been brought up, some feel that an explanation is in order although George and Gracie have authorized no statement. The following is a bit of conjecture, conjectured by Columbia's best tune detective.

It seems that during their recent tour of Europe, Madame Graciosa Allensi, accompanied by Signor Giorgio Burnsini (at the pianola), made two remarkable discoveries. First of all, after three days of laryngitis, Gracie found her voice. The next day, while rummaging in the cellar of the old Allen thumbtack factory in Moscow-on-Volga—known familiarly to the natives as "Die GesellschaftAllenThumbTackenTurnverein"—close the parentheses—Gracie found a mouldy old manuscript signed by her missing brother. It proved to be the score for a colossal nine-act opera entitled "Le Tramcar Qui Defaulter et Allez Boom" or "I Passengieri." After unwrapping her lunch to read the overture Gracie decided to sing it on the WABC Columbia network (although it still has to be cleared by quarantine officials).

"Here at last in 'Le Tramcar Qui Defaulter et Allez Boom,'" writes Gracie's missing brother in a faltering hand, "is an appropriate vehicle for my sister's missing voice. Only three notes are used throughout the score—all on the first mortgage—although, unfortunately for Gracie, these are all the same. Actually, you know, her vocal range is from first to third base. In the opening movement first one hears the soft breathing of the motorman as 'le tramcar' rolls contentedly along the Nevsky Prospekt. Distant cowbells—pianissimo—announce that all is well. Suddenly one hears the rising indignation of 'I Passengieri'—muted bassoons in B flat—as 'le tramcar' refuses to stop at Clark and First Streets. From a lone piccolo massive chords, suggesting 'sturm und drang,' sweep through the orchestra, while the lone soprano voice of a lost soul, caught on the back platform, rises in forlorn wails through the pianola's brilliant arpeggios."

"Personally," concludes the composer, "I think it's a lollapalloosa."

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## REVISION OF MINIMUM CIGARETTE PRICE ORDER APPROVED

The National Recovery Administration has announced revision of its previous order establishing minimum wholesale prices for cigarettes by reducing the mark-up required in transactions between jobbers and sub-jobbers.

Effective September 24th, the sub-jobber may buy at one-half of 1 per cent. less than now permitted.

As originally approved, the order required that the jobber's minimum price to sub-jobbers be his net purchase price, deducting all discounts, plus 2.1 per cent. The new order permits such sales at the net purchase price plus 1.5 per cent.

This change was made, the NRA pointed out, merely to preserve existing legitimate trade discounts. It will not have any effect on the retail price of cigarettes.



## RETAIL GROUPS CO-OPERATE

NATIONAL GROUPS of retailers and wholesalers in the tobacco, candy, drug and grocery fields are working on a plan to co-ordinate and consolidate the enforcement work in connection with their various codes. Numerous conferences, with William A. Holiingsworth, head of the tobacco retailers, as chairman, were held, following which Siegfried Hartman, president of the National Tobacco Council, and Wheeler Sammons, president of the Drug Institute of America, talked the matter over with Leon Henderson, NRA Director of Research and Planning. A joint trade and Government research into price methods and conditions in these branches of the retail trade was proposed.

Mr. Hartman gave a supplementary outline of the plan in the following letter to Mr. Henderson:

"Following the talk which Mr. Wheeler Sammons and I had with you last Wednesday afternoon, a further meeting has been had of the interested groups and they have requested me formally to urge your early inauguration of a project for a broad fact-finding survey of retail distribution. It is their thought and desire, if you approve, to co-operate actively with those designated by you in the preparation of a project outline and after the scope and operative tasks involved have been settled, to assist actively through the facilities at their command in such branches or departments of the actual work of asking the survey as may be agreed.

"They believe that such a broad fact-finding survey, provided it is conducted under expert guidance and with an intimate knowledge of all of the interrelations growing out of the National Industrial Recovery Act, will prove of value alike to the National Recovery Administration and the retail distribution trades and that only by such a procedure can sound guidance be obtained in meeting the distinctive problems of distribution. The groups who have authorized me to address this letter to you are the following:

"Drug Institute of America, National Association of Tobacco Distributors, Retail Tobacco Dealers of America, Inc., Limited Price Variety Association, Inc., A. B. A. Specialty Co., National Food & Grocery Distributors, and Wholesale Confectioners Industry.

"Certain of these groups who contend that distinct conditions are existent in their respective branches of the retail trade would of course reserve the right to propose in the project outlined a special study of specified subjects."

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## CAMEL'S NEW PROGRAM

Walter O'Keefe and Annette Hanshaw will lead the array of new talent presented by the Camel Caravan when it returns to the air Tuesday, October 2d.

Glen Gray's Caca Loma Orchestra, feature of the Caravan show last season, appears again with the O'Keefe-Hanshaw combination.

The half-hour Caravan broadcast will go on the air twice weekly—over an eighty-five-station hook-up of the Columbia Broadcasting System—Tuesdays at 10 P. M., Eastern Time, clear across the country; Thursdays at 9 P. M. in the East, 8 P. M., Central Time, and reaching the Rocky Mountains and the Pacific at 9:30 and 8:30 P. M. through a rebroadcast. The Thursday show will also present Ted Husing, sports announcer, prominently "spotted" in the show.

## REASONS FOR EXCHANGE.

Following are some of the reasons behind the establishment of the Tobacco Exchange, recently opened in New York City:

1. Stabilization of tobacco prices, present and future;

2. Opportunity for "hedging" (price insurance), which is of great advantage to the grower, the middleman, the merchant, the banker, the exporter, the manufacturer;

3. Assurance of an orderly market, governed entirely by the law of supply and demand;

4. Rigid adherence to the grades of tobacco, as established by the United States Department of Agriculture;

5. General reduction in the cost of marketing, with the establishment of strategically located delivery points, including New York and several places in the tobacco belt;

6. Provision of a market in which the manufacturer, exporter, jobber or banker may be relieved of most inventory and carrying risks;

7. Dissemination of accurate tobacco crop data, statistics, weather reports.

In a letter to the new exchange, the U. S. Department of Agriculture wrote as follows: "The statement is constantly made that tobacco cannot be graded. It is rather significant, however, that the tobacco grading service, conducted by this bureau, has expanded from about 500,000 pounds to about 300,000,000 pounds in a period of five years.

"The interest in tobacco grading is growing so rapidly that it is reasonable to expect that, within a few years, most of the annual production will be graded prior to sale. We shall be glad to make the tobacco grading facilities of this bureau available to your exchange in every practicable way."

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## MERCHANDISING PLAN IN EFFECT

THE National Recovery Administration on September 11th lifted the stay which has prevented the merchandising provisions of the Cigar Manufacturers' Code from becoming operative and these provisions will be in full operation within fifteen days. Cigar manufacturers were requested to file price lists forthwith with the National Tobacco Council, Inc. As is well known in the trade, the codes for the cigar manufacturers, wholesalers and retailers contained merchandising regulations whereby the manufacturers are permitted to establish minimum retail prices for their cigars, with specific discounts allowable through each distribution step.

The National Tobacco Council, Inc., was formed by the trade to handle filed prices, discount lists and the distribution of such lists through the industry. Pending organization of the council, NRA had stayed the open price provisions of the code, but the recent action puts them into effect. Jobbers and sub-jobbers were given fifteen days to file their price lists.

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## JOHN P. SWEENEY GOES TO CHICAGO

John P. Sweeney, for the past eighteen months manager of Bayuk Cigars, Inc., Boston branch, left last week for Chicago, where he takes charge of the cigar department of Zolla Bros., Chicago distributors for Bayuk Cigars, Inc.

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway New York, N. Y. ..... President
CLIFFORD N. DAWSON, Buffalo, N. Y. ..... Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
A. STERNBERG, Newark, N. J. ..... Secretary

RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

MORRIS LEVITONE ..... President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. ..... Secretary

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

E. ASBURY DAVIS, Baltimore, Md. ..... President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN ..... President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. ..... Secretary



## More Quaker City News

One of the outstanding events of the past fortnight in this city was the consolidation of the H. & S. Stores and the Marbern Stores, on September 17th. The consolidation is now doing business under the firm name of Nevin Drug Company, with main offices and warehouse located at 261 North Third Street, and operating thirty-two cut-rate drug and patent medicine stores throughout the city.

The consolidation, which is operated as a partnership consisting of Bernard Weinberg, Morris Sobel, Harry and Al. Sylk, was inaugurated with a dinner-dance given in the banquet room of the Hotel Sylvania on September 16th, at which the employees of the new firm, their families and friends were not only served a splendid dinner, but in addition treated to an excellent bit of entertainment in the way of a floor show. Mrs. Weinberg, mother of Mr. Weinberg, was the guest of honor. There were approximately one thousand guests present.

The stores of course carry kindred items and cigars, and tobacco products are featured as well. The store at 50 South Second Street is one of the outstanding stores in that neighborhood, being managed by Miss Sellers, who it will be remembered carried off the honors in the recent contest launched by Bayuk Cigars, Inc., offering a prize for the person selling the greatest quantity of their Prince Hamlet cigars during the month of February. Miss Sellers reports that Prince Hamlet continues to lead the league in the Class C merchandise in her store, with Medalist and Royalist runners-up.

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The Garcia y Vega brand, product of the Garcia y Vega factory in Tampa, and distributed by Yahn & McDonnell, 617 Chestnut Street, is meeting with increased demand in this territory, under the able guidance of Benjamin Lumley, factory representative for this section of the country.

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The Don Sebastian brand, distributed by John Wagner & Sons, and manufactured by Arango y Arango, Tampa, Fla., is enjoying a nice increase in demand in this section.

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Briggs Pipe Mixture, a P. Lorillard Co. product, will be on the air beginning October 6th with a weekly program of football chatter featuring Thornton Fisher, famous sports writer and radio commentator. Scores and comments on the day's games will be heard on this broadcast every Saturday at 6:45 P. M. over a National Broadcasting Co. hookup.

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Thornton Fisher is a pioneer radio sports commentator, having started his radio career more than twelve years ago at station WEAF. As a writer and cartoonist for the old *New York Evening World*, he covered practically every important sporting event in America and abroad and has known personally every outstanding sports figure of the past generation. Since many pipe smokers will undoubtedly be encouraged to try "Briggs" following these weekly broadcasts, now would seem to be a good time for retailers to be sure they have an ample stock of this quality Lorillard product.

*The Tobacco World*

# Tobacco Prices and Cigarettes

### Will Cigarettes Rise, or Will Manufacturers Cut Profits?

RISING PRICES for tobacco on the leaf markets this year threaten to cut the profits on cigarette business should the early trend be maintained for the entire crop. With a promised reduction of 250,000,000 pounds in the flue-cured tobacco crop, it now appears unlikely that the trend toward higher prices on this type of tobacco will be halted. On burley tobacco, while this year's crop should be smaller than that of a year ago, there is a large carry-over which should have a restraining influence on any price buoyancy.

While it is too early yet to forecast what the average price will be either for flue-cured or burley tobacco this year, it appears likely that the industry will charge itself about $45,000,000 more for the tobacco used in cigarettes than was the case last year, and that this will amount to about 12½ cents per thousand additional cost. The amount paid for the tobacco will show much bigger rise, since the effect on cost of price advances is averaged in with earlier years.

With the list price on cigarettes $6.10 a thousand, such an increase seems almost negligible. However, the net wholesale price is $5.38 per thousand and deduction of the $3 Government tax leaves $2.38 for the manufacturer. Since the profits for the manufacturer are generally estimated at around 40 cents per thousand cigarettes, a 12½-cent per thousand increase in tobacco costs means a cut in profits of about 30 per cent.

For the makers of brands selling at a list price of not less than $6.10 a thousand, to retail at 13 cents a package or more, therefore, there is a profit margin sufficient to absorb this greater cost. For the makers of 10-cent cigarettes, however, the margin is not there. For at least one of these companies current volume in its 10-cent line is known to be unprofitable, and the cases with others is not apt to differ greatly.

In anticipation of this situation, makers of 10-cent cigarettes last winter sought a graduated tax, which would have provided 30 cents less tax for their cigarettes. Congressional committees, however, did not favor such action. How long the manufacturers will be able to sell cigarettes at 10 cents for twenty will depend upon their leaf tobacco stocks. Without large supplies of cheaper leaf, price rises on these brands seem inevitable. The situation for these companies is rendered increasingly difficult because the greatest price advances this year have taken place on the grades of tobacco which these companies consume in making their 10-cent cigarettes.

Whether or not the major producers of "standard" brands of cigarettes will be content to see their profit margin reduced without attempting to recoup through a higher price cannot now be determined. Last year the major companies were party to a marketing agreement binding them not to raise prices above $6 per thousand price of January 3, 1933, except for any additional costs by reason of NRA, AAA, etc. This year the Government sought to renew the agreement, but the makers suggested that the price for leaf would be adequate without such agreement. Therefore, the provision for no price increases expired with the agreement, ending March 31st on flue-cured tobacco and April 15th on burley.

Thus far this year the price of flue-cured tobacco has risen as much as 100 per cent. in some sections where the markets have already opened. In Georgia the price, which last year averaged over 12 cents, is now around 19 cents; in South Carolina it rose from 12.75 cents last year to 25.01 cents this year, and in eastern Carolinas it rose from somewhat over 16 cents a pound to 27 cents this year.

Production of cigarettes in the first seven months of 1934 was at the rate of 125,600,000,000 for the full year. At the same weight per thousand pounds as last year's cigarettes are calculated to have contained, this would involve the use of 365,496,000 pounds of tobacco. A 50 per cent. increase in the cost of flue-cured tobacco this year, and a burley price about the same as last year would raise the average for the year to about 21.50 cents per pound compared with the 16.74 cents a pound last year. The three-year average would go up to 16.80 cents a pound compared with 12.51 cents last year, since the lowest year in the last decade is being dropped from the average.—*Wall Street Journal.*

Established 1886

*"BEST OF THE BEST"*

OPTIMO CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

**Make tobacco mellow and smooth in character and impart a most palatable flavor**

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

**Write for List of Flavors for Special Brands**

**BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS**

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

### POSITION WANTED

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

### CIGARS WANTED

I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

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30,000 SQUARE FEET DAY-LIGHTED FLOOR SPACE IN A 3-story and concreted basement building adjacent to P. R. R. freight station in York, Pa. Building of sufficient strength to accommodate at least 50 cigar-making machines per floor. See A. Kauffman & Bro., York, Pa., for inspection and details.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### TRANSFERS

**GREATER MILWAUKEE:—23,698** (U. S. Tobacco Journal). For cigars, cigarettes and cheroots. Registered April 18, 1904, by Mueller & Son Co., Milwaukee, Wis. Transferred to Otto Voelker, Milwaukee, Wis., August 29, 1934.

**SIR DAVID BREWSTER:—17,139** (Trade-Mark Record). For cigars. Registered October 14, 1896, by O. L. Schwencke, New York, N. Y. Through mesne transfers acquired by Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to Tarr Cigar & Tobacco Co., Chicago, Ill., September 7, 1934.

**EL GROMO:—23,474** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered March 26, 1902, by Emil Steffens, New York, N. Y. Transferred by Steffens, Jones & Co., Inc., New York, N. Y., successors to the original registrant, to Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to the Federal Cigar Co., Red Lion, Pa., September 8, 1934.

**WALLICK HALL:—46,134** (Tobacco Merchants Association). For all tobacco products. Registered December 24, 1932, by Aaron Sulman, Brooklyn, N. Y. Transferred to Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to M. Block, Brooklyn, N. Y., September 12, 1934.

**MARY ARDEN:—38,347** (United Registration Bureau). For cigars, cigarettes, cheroots and tobacco. Registered September 24, 1913, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp. (who had taken over cigar label department of the original registrant), to Federal Cigar Co., Inc., Red Lion, Pa., September 13, 1934.

### REGISTRATIONS

**A. R. INC.:—46,366.** For cigars. August 22, 1934. Associated Retailers, Inc., New York, N. Y.

**LUIZ DE CAMOES:—46,367.** For cigars. September 17, 1934. J. R. Gil, Bronx, N. Y.

**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

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**Name**.....

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OCTOBER 15, 1934

VOLUME 54

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No. 20

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol. 54 OCTOBER 15, 1934 No. 20

SINCE it seemed to be pretty generally conceded that price chiseling was at the root of the troubles of retail tobacconists, the announcement that price control would be scrapped, following the resignation of General Johnson, came as an unexpected shock to the trade. Later news, to the effect that the first official act of the reorganized NRA was to extend the present cigarette prices to January 11, 1935, indicated that there was no ground for fearing that all the good work done in the industry in the formulation of the codes of fair practice was futile. The immediate reaction to the first announcement served to emphasize one of the undesirable characteristics of this industry, namely, to howl calamity at every opportunity. Among politicians, it is expected that the "ins" will point with pride and the "outs" will view with alarm. That is taken for granted, and certainly there have been many evidences recently of these contrary proclivities. To a certain extent, this same habit of mind pervades business and industry. The proponents of any movement see only its virtues, its opponents see only its defects. But it is rarely the case that either side goes as far in its predictions of what will happen if a certain proposed move is adopted or not, as so often happens in the tobacco industry. Here it is never a matter of the business suffering somewhat. It is always a matter of the business being wiped out altogether.

IN THE same way we believe that price control is the root and foundation of any attempt to clean up the abuses in the cigarette business, abuses which made it impossible for retailers, in many instances, to make any profit from the sale of cigarettes. We think it would be a grave mistake to eliminate price control from the merchandising provisions of the code regulating the sale of cigarettes. Yet, instead of immediately jumping to the conclusion that the elimination of price control would throw every retailer out in the street, we believe that the retailers themselves should take advantage of all the time between now and January 11 to work out a plan to obviate the return of the price-slashing abuse. For the first time in the history of the industry, tobacco retailers are now organized. If the NIRA had no other good effect than the organization of manufacturers, distributors and retailers, it would, by that act alone, come close to justifying its existence, certainly as far as the tobacco industry is concerned. It seems to us that the retailers, instead of waiting until there is another threat to take away from them the boon of price control, should set about at once, through their organization, to protect their interests by studying to devise some plan whereby the cigarette would not again be allowed to deteriorate into a loss leader, attracting customers into grocery stores, clothing stores, gasoline filling stations and what have you.

WE CAN remember, not so long ago, the hullabaloo about the proposed promotion campaign for cigars. It was a swell idea, no doubt about that. We were for it. We thought it was a big mistake that the plan was not adopted. But we never went so far as to join in the prediction that, if the campaign was tabled, the cigar business would disappear from the face of the earth. We knew that people would continue to smoke cigars. And we knew, too, that some cigar manufacturers would go ahead with promotion campaigns of their own, even if there was not a concerted movement participated in by all the manufacturers, and that these wideawake business men would profit from their campaigns to the tune of shipments to distributors, sales to retailers and consumers, activity of cash registers and money in the bank. That is exactly what happened. We don't need to mention the names of the companies that have been doing very well, thank you, in spite of the "thumbs down" on the industry's promotion program. The irony of it all is that those companies were the very ones who were listed as the first to pledge their cooperation in the proposed plan.

TOBACCO WORLD extends sincere sympathy to Carl Avery Werner, editor of *The Tobacco Leaf*, upon the death of his father, Charles R. Werner, in Watertown, N. Y., on Saturday, October 6. The elder Werner was also the grandfather of Paul A. Werner, creator of Snowball mentholated cigarettes, and the new Long blended cigarette.

IT GIVES us great pleasure to greet the members of the Wholesale Tobacco Trade Code Authority, recently named: Allan C. Davis, Baltimore, Md.; Arthur M. Eisig, New York City; George B. Scrambling, Cleveland, O.; Charles S. Flaks, Denver, Col.; R. O. Downie, Memphis, Tenn.; Edmund C. Dearstyne, Albany, N. Y.; Joseph Kolodny, secretary of the National Association of Tobacco Distributors, Jersey City, N. J.; and Herman Yaffee, an attorney of Philadelphia, representing non-members of the association.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

### CIGARETTE PRICES CONTINUE

POPULAR brands of cigarettes will continue to sell for 13 cents a package or two for a quarter until January 11 by order of the N. R. A.'s new governing board.

That action on October 10 was the first by the Blue Eagle rulers involving the controversial question of price-fixing. It continued a 90-day emergency order by Hugh S. Johnson, which otherwise would have expired October 13.

The cigarette order followed a statement earlier in the day, formally assuring the bituminous coal industry that its price-fixing code still was in effect and would not be changed unless the industry was consulted and given a hearing. The coal statement and the cigarette order were regarded as new evidences that N. R. A. policy changes will be gradual.

### UNITED OWES 29 MILLION

FOUR hundred and fifty-one claims, representing more than $29,000,000, were filed yesterday in the office of Irwin Kurtz, bankruptcy referee, at 15 Park Row, against the United Cigar Stores Company of America. The Irving Trust Company, as trustee for the Cigar Stores Realty Holdings, Inc., presented demands for amounts totaling $9,200,000, the largest filed by any single claimant.

The petition for authority to formulate a reorganization plan, subject to the approval of the United States District Court, has put a new complexion on the proceedings, still in the bankruptcy court. Referee Kurtz is awaiting submission of the plan, pending which a meeting of creditors will be called.

Yesterday was the last day on which claims against the company could be filed.

### COMPLAINTS COMMITTEE APPROVED

The NRA has announced approval of the membership and plan of procedure for the fair trade practice committees of the retail tobacco trade, to consist of four members to be appointed by Code Authority.

### PRICES AND DISCOUNTS FILED

MANUFACTURERS' price and discount reports have been filed with and recorded by the National Tobacco Council, Inc., at its offices at 100 East 42d Street, New York City, pursuant to the Cigar Merchandising Plan as set forth in Schedule I annexed to and made a part of the Codes of Fair Competition for the Cigar Manufacturing Industry, the Wholesale Tobacco Trade and the Retail Tobacco Trade. The recorded price and discount reports are now open for your inspection. Copies of these reports and of subsequent recordations will be forwarded to you as soon as possible.

Siegfried F. Hartman is president and counsel of the National Tobacco Council. The executive committee is composed of Harvey L. Hirst, William A. Hollingsworth and Joseph Kolodny.

### FLAMELESS FLUIDLESS LIGHTER

A fire without a flame has become an actuality in the development of the Fire Chief Cigarette Lighter. The case is produced in bakelite molded, which contrasts with the chromium plated scratching device. A single motion produces a spark which turns to a deep red glow. It is claimed that the Fire Chief lighter works as easily and surely in the wind as in a sheltered room. It is small enough to fit conveniently in the vest pocket or purse.

### CAROLINIAN ON WAREHOUSE AUTHORITY

John T. Thorne, of Farmville, N. C., has been appointed Administration Member of the auction and loose-leaf tobacco warehouse industry Code Authority. He is a member of the Tobacco Advisory Committee for the Tobacco Section, Agricultural Adjustment Administration.

Members of the National Code Authority for the Retail Tobacco Trade are spending their time in Washington negotiating for a continuation of the Cigarette Order establishing minimum prices for cigarettes.

# Flue-Cured Crop in Manchuria

THE 1934 crop of American type flue-cured tobacco in Manchuria is placed at 2,094,000 pounds from 3200 acres compared with 1,874,000 pounds from 2000 acres in 1933, according to a report to the Bureau of Agricultural Economics, from Assistant Agricultural Commissioner F. J. Rossiter at Shanghai. The yield per acre was low because of excessive rainfall. Manchuria produces about 50,000,000 pounds of low grade native leaf annually but relatively little flue-cured tobacco. The native leaf is used mainly for pipe smoking whereas flue-cured tobacco is used mainly in the manufacture of cigarettes, consumption of which has increased considerably in the last two years. Annual requirements of flue-cured leaf are estimated at about 33,000,000 pounds, of which less than 10 per cent. is produced locally, the remainder being imported from China and from the United States.

The Chinese Government has established a monopoly with authority to promote the cultivation of flue-cured tobacco in Manchuria. A long-time program of education, advice, encouragement and governmental loans for seed has been adopted, the object being to induce farmers to grow more flue-cured leaf. Officials of the monopoly believe that Manchuria will be able to supply a large proportion of her flue-cured requirements in ten or fifteen years if growers use the right kind of seed and adopt modern cultural and curing methods.

Although the Government may be successful in expanding production of flue-cured leaf to replace most of the present imports of that type from China, and even some of the imports from the United States, considerable quantities of American flue-cured tobacco will be needed in the manufacture of the better quality of cigarettes, says Rossiter. Any large scale replacement of American flue-cured leaf by the Manchurian product would be of considerable significance to American producers since China, including Manchuria, has become the second most important foreign market for our exports of this type of tobacco, and took on the average 28 per cent. of our exports in the five years from 1929-1933.



# Kolodny's Address at "Two-fer" Hearing

MR. ADMINISTRATOR: I appear here today for the purpose of conveying and expressing to you the opinion and sentiment—with respect to the subject matter of this hearing—of a very considerable number of members of the association I represent, the National Association of Tobacco Distributors.

At the outset, I wish it to be clearly understood that, as an Association of Distributors or Jobbers, we have always maintained and rigidly adhered to a policy of non-interference in any problems or controversies, which may be termed "purely manufacturers." We believe, and still do believe, that as distributors or jobbers, our function was and is solely the sales-promotion and distribution to retail outlets of tobacco products already manufactured by the manufacturer.

I may say with some degree of assurance that a great many distributors never even knew nor were they particularly interested to know the weight of cigars. They do know, however, from painful experience, that while in some territories a given brand of cigars may enjoy a tremendous sale and become what is commonly known as "a natural," in another given territory that very same cigar may not meet with any public favor whatsoever. This peculiar, though well-known, reaction on the part of the consumer applies equally to all types of cigars irrespective of weight.

Frankly—the members of the manufacturers' committee, which studied this problem and now present this plan as a solution, have my whole-hearted sympathy. I know they have worked hard and diligently. I know they have tried to approach this problem and arrive at a solution from an unselfish, unbiased standpoint.

I likewise know, however, that they are confronted with a most intricate, complex situation—a situation which, by far, supersedes any superficial solution inasmuch as it again involves the interminable conflict between "human-labor" and the "machine."

Here we are confronted with the very lives and subsistence of thousands of workers and their families. Labor, in line with capital in this instance, has endeavored to effectuate a solution. I know of the many sleepless nights spent by Mr. Ira Ornburn on this extremely difficult problem. Perhaps, it is the best solution that any group of persons could formulate or devise but we must, Mr. Administrator, face some additional facts.

I have before me a report of the United States Bureau of Internal Revenue showing withdrawals of revenue stamps affixed to cigar boxes during the month of August: Class A—371,792,790 of a total of all cigars of 425,452,701, exclusive of 11,354,442 imported from Manila—about 85 per cent. of the total are Class A cigars.

Of all these, I am told (I have not the exact figures) at least one-third or two for nickel cigars or about one hundred twenty-five million per month. These cigars must be distributed and therefore each box requires a fixed cost for distribution. Let us, now, briefly, analyze the distributors' problem.

In the Middle West and South, the principal volume of many distributors consists of two for nickel cigars. It, also, represents a fairly large portion of the cigar business of distributors in the East. Of course the average person may innocently ask, "why should a distributor confine most of his efforts in the cigar department to two for nickel cigars?"

To that I will answer that the distributor does not do so by choice since he does not control the economic status of the consumer. He must, of necessity, attempt to supply to the retailer that type of merchandise which his market can absorb.

The distributor, at present, operates under a Code of Fair Competition and has had to increase the wages of his employees. He has been compelled to shorten hours. He was required to add additional help.

If he is to be deprived of a fair return on his sales of two for nickel cigars, which as I have stated, in some cases constitute the principal volume of his cigar business, it becomes increasingly difficult for him to maintain the high standard of wages and hours to which he is committed under the Code of Fair Competition for his Industry.

Among the recommendations submitted by the Cigar Manufacturing Code Authority are the following:

*First*—that all manufacturers of cigars, stogies and cheroots made to retail at two for nickel, shall comply with all the provisions of the Code for the Cigar Manufacturing Industry.

This, I believe, applies mainly to the wage and hour provisions. It is largely a manufacturing problem and, as distributors, we do not feel called on here to express an opinion concerning it.

*Second*—that the weight of cigars, and cheroots made to retail at two for nickel, shall be limited to and shall not exceed 18 pounds per thousand.

As distributors, we cannot—in fairness to the manufacturing groups—express any definite opinion regarding the size and weight of any product. We believe competition governs this phase of the business. If consumers demand a large cigar for a given price and the manufacturer produces a cigar in accordance with that size, we distribute them. If, on the other hand, a certain manufacturer feels that there is a market for a small cigar for a given price and a distributor concurs in that view, he will distribute that cigar through the retailer to the consumer.

*Third*—that cigars, stogies, and cheroots manufactured to retail at two for nickel shall be packed in containers not less than 100 cigars in each container.

Even though this recommendation slightly touches the merchandising field of the cigar manufacturing industry and the general subject is a matter in which wholesale distributors are interested, there is no occasion—at this time—to raise any acute issue on this point. Nevertheless, as conditions may change, so as to make such a provision undesirable, it would seem inadvisable to make any rigid restrictions on this point in a code which can be changed only by formal amendment.

*Fourth*—that the selling price to retailers of two for nickel cigars shall not be less than $20 per thousand and to jobbers, $18 per thousand.

This, Mr. Administrator, does concern us particularly.

As I have previously stated, I am fully cognizant of the difficulty of the situation. I believe, however, that under the present cost of wholesale distribution of cigars, which, according to statistics, averages from 10 to 14 per cent. on nationally advertised brands, the

*(Continued on page 15)*

# PHILADELPHIA.

### BAYUK BUSINESS BREVITIES

AC. ROY, New England territorial manager, dropped into the Ninth and Columbia Avenue headquarters for a week-end visit and gave a glowing account of the intensive demand for Phillies way down East . . . Lex Ehrman, of Ehrman Bros., Horn & Co., distributors in San Francisco, while in the East, paid the factory a visit and reported that Bayuk brands are moving exceptionally well on the coast . . . Schutz Herman Co., Evansville, Ind., has just completed a successful drive on Phillies in that district, assisted by C. M. Bristow, Bayuk salesman . . . Eli Witt Cigar Co., of Tampa, are preparing for a big winter season as distributors of Bayuk cigars, which enjoy a big demand throughout Florida . . . Jacob Unger, Bayuk salesman, is setting a fast pace in promoting the sale of Bayuk cigars in connection with the Scranton Tobacco Co. for the Binghamton, Albany, Schenectady district.

### AT THIRD AND BROWN

ON the date of that eventful seventh World Series game, we called at the office of Dave A. Jenks, having failed to advert to the fact that the energetic assistant sales manager of G. H. P. hails from the town recently made famous by Mike Cochrane. Of course, he wasn't there. Even if he had been in town, he would have been somewhere listening to a broadcast of the game. But he was out of town, and not expected back until Monday. The girl at the information desk didn't know whether he was in Detroit, or somewhere else. She just knew he was out of the city. The burning question could have been settled with one word from Frank P. Will, executive vice-president, but he also was out of town. Some of these Philadelphians really thought the winning of the pennant by the Tigers was a hometown victory. Anyways, the plant was busy turning out El Productos and La Azoras, the sales department was busy acknowledging orders, and the delivery department was busy shipping 'em out.

John Flanagan, manager of the M. J. Dalton stand at 617 Chestnut Street, is featuring Optimo, Marcello, Corona, Henry Clay, and Sano products in his ample window space this week. These products all enjoy a good steady demand here.

## Trade Notes

Mr. Sommerfeld, of the F. W. Sommerfeld Cigar Co., Miami, Fla., was a visitor here last week.

The Royalist factory, North Second Street, reports business steadily showing an increase on this popular brand.

Sam Adles, of Villazon Co., was in town last week visiting retailers and jobbers, and was highly pleased with the increased demand for his brand.

John Wagner & Sons report a definite increase in demand for imported Havana cigars since the advent of the recent price reduction, which amounts to 25 per cent. in some sizes, to the consumer.

Barton Lemlein, of M. Sachs & Co., stopped over in Philadelphia for a brief visit, enroute to western territory in the interest of his brands. He was much encouraged by better business conditions.

Ben Lumley, representing Garcia y Vega, distributed by Yahn & McDonnell, is in northern New Jersey promoting the sale and distribution of his brand with good results.

Frank Florio, who manufactures the Philadelphia Leader, at 1418 South Ninth Street, is proudly telling his friends what a battle he had last week on the beach above Ocean City, N. J., when he landed a sixty-nine pound drum fish. Mr. Florio now feels that he is in the running for the annual prize put up by one of the prominent sporting goods stores here.

Yahn & McDonnell, distributors, report visits from Mannie Perez, one of the best-liked salesmen in the Industry, who was on his way west promoting the sale of his Redencion. Mannie reports business improving nicely. Another visitor was Otto Schneider, of Corral Wodiska y Ca., manufacturers of the Bering. This brand has an excellent call here.

**RAILROAD HISTORY** entered a new phase as the Burlington's "Zephyr" flashed across the Great Plains from Denver to Chicago—1015 miles in 785 minutes—to set a whole flock of new records! Jack Ford was at the throttle.

**SPORTSWOMAN PILOT.** Mrs. Cecil Kenyon says: "Morning, noon and night I can smoke Camels steadily—without a touch of upset nerves."

**SECRETARY.** Elizabeth Harben: "I am careful in my choice of cigarettes. I prefer Camels. They don't make my nerves jumpy."

## A PLEASURE that drives away fatigue and listlessness!

Jack Ford, Burlington engineer, says:

"When the 'Zephyr' rolled to a stop at Chicago, I'd been through a lot of excitement and strain and felt pretty much used up. But a Camel quickly gave me a 'lift' and I felt O.K.

"Most engineers prefer Camels. And Camels help to increase their energy when they feel worn out. I've smoked a lot of Camels in my time, and that goes for me—all the way."

Everyone is subject to strain—whether physical, mental, or emotional. So it's important to know that Camels do release your stored-up energy.

The findings of a famous scientific laboratory confirm Camel's "energizing effect." So begin today to enjoy Camels *often!* For the costlier tobaccos in Camels never affect the nerves.

**LEAF-TOBACCO EXPERTS AGREE:**
"Camels are made from finer, More Expensive Tobaccos—Turkish and Domestic—than any other popular brand."

**TUNE IN!** *CAMEL CARAVAN with Glen Gray's Casa Loma Orchestra, Walter O'Keefe, Annette Hanshaw, other headliners. TUESDAY, 10 P. M., E. S. T.—9 P. M., C. S. T.—8 P. M., M. S. T.—7 P. M., P. S. T. THURSDAY 9 P. M., E. S. T.—8 P. M., C. S. T.—9:30 P. M., M. S. T. —8:30 P. M., P. S. T., over WABC-Columbia Network.*

## Camel's Costlier Tobaccos never get on your Nerves!

Copyright, 1934, R. J. Reynolds Tobacco Company

# Cigar Industry's Future in Tampa

## A Radio Address from WDAE

**By W. T. MORGAN**

IN order to adequately discuss the future of the cigar industry of Tampa it is essential to delve into the past history and lay before you the reason why the Cigar Industry came to Tampa. It is evident that there must have been a fundamental reason—logically so, and here it is:

In the early 80's the center of the Clear Havana Cigar Manufacturing Industry was located at Key West. The reason was obvious. Most of the tobacco used was brought from Cuba, and with Key West but ninety miles from the center of production that was the practical point. Added to this was the fact that as years went by the Cuban cigarmaker, an artist if there ever was one, drifted to Key West, and thus we see that this island city had to offer the two essentials necessary, that is, nearness to source of supply for raw materials and adequate and ample labor. Time went on, and history tells us that labor became dissatisfied; frequent strikes; demands for various additional labor facilities which increased labor costs, plus demands for increases in wages placed additional burdens on the manufacturer until the point was reached where the manufacturer could no longer profitably produce his clear Habana cigars at Key West and so he began to look for other places at which to locate.

The climate of Florida was and still is a determining factor in the production of cigars, and so the manufacturer sought some other location within the State. Tampa offered the same climate, ample labor, and a point not too distant from Cuba.

With the advent of the R. Martinez Ybor and the Sanchez & Haya plants to Tampa, the industry actually began. Gradually other factories located here, until the center of the Clear Havana Industry was moved from Key West to Tampa. It was only after years of concerted effort that the name of Tampa began to assume a place in the markets of the country as the rightful successor to Key West in this field, for up to this time the name of Key West and Clear Havana cigars were synonymous. The name of Tampa grew and gradually transplanted the name of Key West.

In the early years of 1900 and the following decade a transition took place: Shade Grown and Wrapped cigars began to show their competition with the products of the Tampa market to a marked degree. By this we mean cigars manufactured with a Connecticut wrapper and either domestic tobacco or Cuban tobacco as a filler. For a number of years prior to this time this particular type of cigar had been on the market, of course, but was confined largely to the cheaper grades of merchandise. At this time—that is to say, about 1910 to 1915—the shade wrapped cigar began to encroach on the territories heretofore confined largely to the clear Havana type of cigar, and with increased success. The Tampa manufacturers found in their midst factories that were producing higher priced cigars in direct competition with their clear Havana brands, and their thoughts turned to the possibility of doing likewise. With the outbreak of the World War, beginning in 1914 and even for several years after its cessation, the cigar industry, not only of Tampa but of the United States as a whole, was in a dormant state. The cigar smoker became less exacting and willing to take any cigar provided it suited his taste. The returned soldier had not been, in the main, privileged, nor was he able to secure and smoke cigars. The years of the war were likewise responsible for his being weaned away from cigars and becoming more accustomed to the shorter, more easily secured, smoke, in the form of a cigarette.

It can be safely said that the descending sun of the cigar industry dated from the World War and its termination. During the period of the World War a large number of cigar smokers either died or were killed, an equally large number turned to cigarettes, and so began its decline.

Like a comatose patient there followed a short period of rejuvenation from 1920 to 1927. During these years the world as a whole was actually in its hey-day. Money was free and encouraged the better things of life. The cigar smoker reacted to this period and for a while the Industry was prosperous. It must be remembered that there were comparatively few, if any, new cigar smokers ordained during this time. The increase in consumption and calibre was largely due to the effervescence and affluence of the same cigar smoker. Then entered the period of the so-called depression. Cigars of necessity fell within the luxury class, and therefore one of the first items to be curtailed, and resultingly the cigar manufacturer was one of the first to feel the effects. The consumer heretofore accustomed to paying 25 cents or more for his cigar, dropped to the next lower class. As this condition continued the same smoker gradually dropped to still a lower class, until today the production of the entire United States has fallen to a level wherein 85 per cent. of the production of over a half billion cigars per year is now within class A, or, in other words, those retailing for 5 cents or less. Naturally, Tampa manufacturers were not spared. Heretofore the five-cent cigar was a by-product of the higher classes, and only produced here to take care of these by-products. As conditions changed it became evident to the Tampa manufacturer that the five-cent cigar would, of necessity, no longer be a by-product but in many cases the major portion of the factory's production. This is noted particularly in the monthly reports of the Department of Internal Revenue, wherein an average monthly production in Tampa of 25,000,000 cigars shows 50 per cent. or more falling within the five cents or less class.

Now for a moment let us look into the problem from the standpoint of labor. During the period when practically the entire production of Tampa was in the higher brackets the average weekly salary of the cigarmaker was approximately $25. Today this average has dropped to an average of slightly less than $16. It must be realized that the cigarmaker of Tampa is unlike any other cigarmaker in the world. He cannot be classed in the same category as any factory laborer. Due to years of experience and in many cases being a descendant of several generations of cigarmakers,

"All they clear Satisfy"

"To me a cigarette is the best smoke. It's a short smoke... and then again it's milder.

"I notice that you smoke Chesterfields also. I like them very much."

"I *HAD A BERTH in the ninth sleeper. It was a heavy train and a cold night — snowing — and I thought about the man with his hand on the throttle. I admire and respect those men.*"

© 1934, Liggett & Myers Tobacco Co.

he is a veritable artist. It must also be borne in mind that the reputation of Tampa was earned, and still continued so, not only due to the excellence of workmanship and materials used but directly based on the the fact that the old type of Spanish hand work has been, and still is, used.

Today we find the cigarmaker who had been employed on shapes and sizes that retailed for 25 cents now forced to work on the five-cent class. It is and would be impossible to change habits formed during years of work, and so the cigarmaker of today working on the five-cent cigar is producing workmanship which he had heretofore used on the 25-cent cigar. The results are in a measure encouraging. It can truthfully be said that the five-cent cigar produced in Tampa today is certainly the equivalent, if not the superior, of any 10-cent or better cigar produced in any part of the world. Were it not for this, it is more than likely that Tampa production would by this time have fallen to such a level that the cigar industry of Tampa would in all likelihood have been out of existence by now.

The competition of Tampa, in so far as the cigar industry is concerned, is extremely keen. In northern markets the cigar produced is, in the main, by machine, of domestic tobacco, and a much larger cigar than that produced here. Tampa counters with hand method of production which really is tailored work, expert workmanship and climatic conditions ideally suited for this work, but one additional factor enters into the competitive field, and that is the distance from the consuming centers. These centers in the main are located in New York, Chicago, Kansas City and the Pacific Coast. A comparatively small amount of Tampa's production is consumed south of Richmond, Va., and east of the Mississippi. This means long freight hauls at rates that certainly leave a very narrow margin of profit to the manufacturer. Then, too, a factor that has not aided the Tampa manufacturer is the introduction of new methods of manufacture in the northern markets that are not entirely machine work and still are not altogether hand work. Regardless of these points, a determining factor responsible for the loss of production has been the more or less rapid dying off of the older, inveterate cigar smoker. With the so-called gentler sex pre-empting the prerogative of her sterner mate and taking to cigarettes, her younger consort turned likewise, and so we find comparatively few of the newer generation smoking cigars.

What the Future Holds in Store for Tampa and Its Cigar Industry is indeed difficult to determine. With the return to normal economic conditions, the supposition is that the curve of the graph will swing upward again for the same causes that were responsible for their downward trend. It is almost accepted as an axiom that at no time in the future will production of cigars within the higher brackets ever return to those levels of 1925-6-7, and that the entire output of Tampa will be confined largely to those cigars falling within the range of five cents to three for fifty cents, with the preponderance confined to the five-cent, ten-cent, and two-for-25 cents classes. Even under these conditions the outlook is far from being as dark as it may seem at this particular moment, for with increased consumption and volume production in these classes, the increase will be reflected in more money to be found within the pay envelope of the worker and therefore greater purchasing power, which, of course, would be confined in the main to this city. An increase of but 10 per cent. per annum in the production of the cigars within the higher brackets would mean an annual increase of approximately $750,000 in added payroll.

The stupendous sum of $75,000,000 is invested in the Tampa cigar industry, which in spite of present economic conditions, still remains in the industry. The persons gainfully employed within the industry under normal conditions represents some 13,500 workers. Taking the normal family to consist of four persons, we find that over half the population of the city of Tampa is more or less directly dependent on this one industry. Likewise, the normal payroll of about one and one-quarter million dollars per month, or over thirteen million dollars per year, is certainly a strong factor in the general makeup of the city.

A great deal, of whatever the future holds in store for the cigar industry, depends on the trend of the buying public—

The introduction of Tampa-made cigars into new domestic markets.

Direct campaigns in foreign markets.

Adequate, sincere, truthful advertising.

The close and whole-hearted co-operation, which has not been found wanting to date, of the producer.

With the above-mentioned factors given full cognizance, it is more than likely that the Industry will survive and flourish, always dependent upon the greatest and most important item of all, namely, the whole-hearted, sincere and complete assistance and co-operation of the people of Tampa.

# Axton-Fisher Advances $30,000 to Retailers

The Axton Fisher Company of Louisville have advanced $30,000 to the temporary fund underwriting the expenses of the National Code Authority for the Retail Tobacco Trade. The brands manufactured by this company are:

Cigarettes: Clown, Spud, Twenty Grand.

Plug tobacco: Forked Deer.

Cigarette tobacco: Show Boat, Himyar.

Smoking tobacco: Old Hill Side, Old Loyalty, Forked Deer, Fairway, Oklahoma.

Scrap tobacco: Wage Scale, Eight Hour Union.

Twists: White Mule, Booster, Axtons Natural Leaf, Silver Tip, Old Time, Turkey, Rough and Ready, Pride of Dixie, Old Paduke.

Several retail dealers throughout the country are making voluntary advances to the expenses of their National Code Authority.

The National Code Authority has a plan of collection and assessment before the Administration for approval. As it is necessary to circulate any plan of this kind through all the advisory boards, it is not expected the plan will be approved for at least four or five weeks. In the interim, the Code Authority must have financial support and is calling upon all members of the trade to make voluntary advances.

*The Tobacco World*



Cigars are the most pleasurable and economical form of smoking.

# BAYUK BULLETIN

NRA MEMBER U.S. WE DO OUR PART

VOLUME II. OCTOBER 15, 1934 NUMBER 19

## PHULOFAX
*(The Retailer's Friend)*
## SAYS

F. R. C. sends Phil this worthy stunt: "I have a customer who is a tough nut . . . he and I have been getting along like two strange bull-dogs . . . He is a nut on this Gold Standard subject . . . ran across a little book that treats of this subject very thoroughly . . . I bought it for 10c and gave it to my tough nut customer . . . say, now he's my pal." Thataboy, F. R. C.—more ways to get under the skin of a customer than sticking him with a pin in the seat of his pants.

—o—

The other day, a jobber related to your humble columnist that he had to let go one of his men on the sales force. In his friendly talk at the parting of the ways, the man told the jobber that he "never did like the job of selling" and yet had worked at it four years. Four years wasted . . . gad, folks, if we don't like, yes LOVE our job, we'll never make a success of our job.

—o—

He's a "factory salesman" . . . covers a big territory . . . doesn't want the key dealers to forget him . . . rather, he wants to keep remembered in his absence . . . sometimes doesn't see them for three or four months but he DOES keep in touch with them by sending them now and then a souvenir postal card from the town he is working . . . When he contacts them again, how gladly they welcome him. This fellow's initials are B. W. B. Bet a lot of you retailers know who he is!

—o—

This year Christmas Day falls on December 25th . . . December 25th is on the Calendar this year same as other years and Christmas Spirit is going to be in the hearts of all the folks this year just as in former years. CIGARS ARE THE MOST ECONOMICAL GIFT THAT CAN BE PURCHASED—FOR HIM!

—o—

How many Christmas Cigars should a jobber or a retailer buy this year? Well, with casual efforts, they can sell so many. And with real efforts, they can sell so many more . . . why not real efforts and then BUY what you have confidence in your ABILITY TO SELL.

—o—

C. M. L. writes this in on a postal card (just as gratefully received as if on a Tiffany letter paper)—"I'm a jobber . . . have a Suggestion Box for my salesmen to drop in their ideas on how to increase our business . . . you'd be surprised at how many good thoughts I receive." Oh, no, Phil wouldn't be surprised and says that the idea is just as GOOD as it is OLD . . . maybe, BETTER in these days when three or four heads are better than one. No one is ever too old to learn.

Phil M. Phulofax*
D. B. I.

*Associated with BAYUK CIGARS INC., Philadelphia — Makers of fine cigars since 1897

## MR. DEALER! TWO OF YOUR BEST FRIENDS ARE ON THE WAY

And it's not too soon to think about how you are going to welcome them. Lots of boxes of cigars will be sold for Thanksgiving — still more for Christmas. And most of them will be sold by the dealers who plan their selling campaigns well ahead—*and go through with them.*

## TWO STORIES WITH A SINGLE MORAL

### *1. Can a Salesman be a Good Collector?*

Last month a sales force in one of the large Eastern cities put on a drive to speed up collections. At the end of the month, one salesman, C. F. Beckermeyer, showed a perfect score —512 accounts, all of them active, *and not a single one delinquent.*

Mr. Beckermeyer didn't have to rush around the last week of the month on a frantic clean-up campaign, either. He spent that final week in rounding up 191 orders.

A worthy runner-up in the same drive was W. Kaesshaefer. Mr. Kaesshaefer's delinquent accounts were .097% of his total business. He failed to make a perfect score only because one of his customers, a Frenchman, refused to settle up. This customer's alibi was that the French Government had refused to pay its debt to the United States, and as forty million Frenchmen couldn't be wrong, he wasn't paying his debts either.

The moral of this story, gentlemen, is: IT CAN BE DONE!

### *2. The "130" Club*

Recently, the salesmen of a leading New England jobber organized a club. It was to be quite an exclusive club, with a membership confined to those averaging at least 130 sales a week. Most of them were averaging about 100 per week at the time.

We are happy to state that the club did not preserve its exclusive character very long. By the end of the first week every last member of the sales force had made the club by bringing in at least 130 scalps.

As it is a secret organization, we can give only the initials of the high scorer and the two runners-up who tied for second place. They are F. J. G., E. J. D. and C. A., respectively.

The moral of this story, gentlemen, is likewise:

IT CAN BE DONE!

### *Right you are, Leo!*

"What we need today in business is more men who *do things* and fewer men who *explain* why they don't do things"—Leo Tighe.

## WHAT DOES THE WORD "CIGAR" MEAN

Believe it or not, it originally meant "cicada." And if you don't quite know what a cicada is, it's a sort of katydid thing that sits in a tree and makes a noise like—a katydid.

It's a long journey from katydids to cigars but here's how it happened. The Central American Indians who originally taught the Spaniards to roll cigars, called the finished product "cicada" (or the Indian equivalent) because of its cicada-like shape. The Spanish word for "cicada" is "cigarra." When the word was imported into English, they dropped the extra "ra"—to save customs duty possibly. And now let's all light cigars in blessed memory of those Indians who invented them. If ever there were any good Indians they were that same.

## "GOOD MORNING, MR. PRESIDENT"

Excuse it, please. Our mistake! This is not Mr. Roosevelt, but R. W. Baylies, of Rochester, N. Y., who sells cigars for Bayuk. But the resemblance *is* remarkable, isn't it? R. W. is continually being kidded about it, and since March 4, 1933, the name "Frank" has been conferred upon him by friends and acquaintances. But Mr. Baylies's resemblance to the occupant of the White House is not merely facial. Like his famous prototype he is a hard worker and believes in action. A mighty enviable sales record is the result.

## "ALEX SMART" STILL GOING STRONG

"Memoirs of Alex Smart," which originally appeared as a serial in the BAYUK BULLETIN and was later issued in book form, is still going strong.

Evidently the goodnatured fun, which the author had at the expense of his fellow salesmen—and cigar salesmen in particular—struck a responsive chord. At any rate it is taking a lot of books to supply the demand.

BAYUK BRANDS BUILD BUSINESS
'Bayuk Phillies'
(BAYUK PHILADELPHIA PERFECTO)
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet

# Conditions in German Market

THE Government regulations of imports of tobacco into Germany have now been announced. On September 1, 1934, the authorities made it known that restrictions on the importation of certain raw materials would likewise apply to tobacco and tobacco products. The Ministry of Economics has established a Control Board for tobacco, which will have its seat in Bremen; one of the Senators (Otto Bernhard, who was active in the tobacco business before becoming Senator) having been appointed Reichscommissioner for this Board.

As reported by American Consul W. A. Leonard and made public by the Tobacco Division, Department of Commerce, future prospects depend largely upon the course to be followed by the Tobacco Board. If exchange restrictions limit considerably the importation of tobacco, it will obviously be reduced, as compared with normal shipments. This move is taken to control and restrict the importations of raw tobacco and tobacco products to conform with the Reichsbank's policy of allotting foreign exchange due to the small amount of foreign exchange available in Germany.

Inasmuch as foreign exchange is required for the purchase of American tobacco, this new regulation will make it impossible for local merchants and tobacco manufacturers to buy tobacco in the interval of the new Tobacco Board having started operations. It is stated that one of the first actions of the new Board will be to appraise present stocks of raw tobacco held by importers, dealers and manufacturers. It is reported that the restrictions pertaining to the purchase and importation of tobacco, for use in Germany, will enable only the fulfillment of urgent needs. This new regulation does not affect transit business or Oriental tobacco originating in countries with which the Reichsbank has a clearing agreement.

American tobacco imports into Bremen during the month of August 1934 amounted to 1,295,250 pounds, according to preliminary statistics. The imports during August were about double those of July, the imports during July having been 660,440 pounds. American tobacco imports into Bremen during August 1933 totaled 752,148 pounds, or approximately 72 per cent. less than August of this year. Imports consisted of Kentucky, 353 hogsheads, Virginia 594, Maryland 8, Burley 13, Ohio 10, Seedleaf 61 cases, and Stems 217 metric tons. Although the imports into Germany were relatively heavy in August, 1934, those imports were chiefly deliveries on old contracts, and hence did not enter into the market conditions.

Activity in the Bremen market for American tobacco during the month of August, 1934, continued to be quiet, owing to the well-known foreign exchange difficulties. Transactions effected during the month of August were small and constituted largely purchases by manufacturers in other European countries. There are practically no stocks of American tobacco at Bremen.

The market for bright Virginia tobacco during August is reported to have been quiet. Local importers report that there are practically no stocks of bright Virginia tobacco available locally, and that the shipments during August had constituted largely deliveries on former contracts and that unsold arrivals were disposed of to other European countries. It is stated that prices at the opening of the bright Virginia tobacco market in the United States for common and medium grades, the most used in Germany, had almost trebled, and that for this reason business with Germany would probably be small.

Purchases of Dark Virginia by German manufacturers are reported to have been small. However, local importers report that sales to other European monopolies had been satisfactory. It is stated that the first shipments of the 1933 crop arrived during August. The tobacco is said to have light body and to be suitable for cutting purposes. There were practically no transactions in Dark Kentucky between importers and German manufacturers. Importers report that the quantities sold had been purchases by other European manufacturers. The market for Burley, Maryland, and Ohio continued to be quiet. Local importers state that only small quantities had been disposed of to other European countries.

The market for One Sucker and Green River tobacco showed no improvement and no transactions are reported to have been effected. Shipments of Seedleaf continued to be small. Transactions were largely restricted to local stocks, of which 105 cases are reported to have been sold. There was a somewhat greater activity in American tobacco stems when compared with the immediate preceding month of July.

During the first eight months of 1934, there was a considerable increase in the imports of American tobacco into the Bremen market, as compared with the corresponding period of 1933. Preliminary statistics indicate that imports of American tobacco during the first eight months of 1934 amounted to 14,862,562 pounds, as compared with 8,550,716 pounds during the corresponding period a year ago, thus showing an increase of 6,311,846 pounds, or approximately 74 per cent.

Re-exports of American tobacco from Bremen during the month of August, 1934, showed an increase when compared with the corresponding month of 1933. Statistics compiled by the Bremen Statistical Bureau show that the quantities of American tobacco re-exported from Bremen during the month of August, 1934, were as follows: Kentucky, 154 hogsheads, 237,160 pounds; Virginia, 233 hogsheads, 281,930 pounds; Maryland, 3 hogsheads, 2310 pounds; Burley, 13 hogsheads, 15,730 pounds; Ohio, 10 hogsheads, 12,100 pounds; a total of 413 hogsheads, 549,230.

## S. CLAY WILLIAMS HEADS NRA BOARD

FOLLOWING his appointment by President Roosevelt as a member of the new National Industrial Recovery Board and his election as chairman of this board, S. Clay Williams has regretfully resigned as a member and chairman of the Cigarette and Tobacco Manufacturers' Code Committee, declaring that this resignation was, of course, inevitable by reason of his appointment to the new NRA board.

Mr. W. W. Flowers, a vice-president of the Liggett & Myers Tobacco Company, has succeeded Mr. Williams as chairman of the Cigarette and Tobacco Manufacturers' Code Committee by unanimous choice of the members of the committee.

**THERE MUST BE A REASON FOR THE SPECTACULAR, AND GROWING, SUCCESS OF KOOLS.** There is—four of them. The public likes the blend; they're *mildly* mentholated. The public likes the cork tips. The public enjoys the advertising. And the public likes the coupons packed with KOOLS that are good for a choice of nationally-advertised merchandise.

Stock KOOLS. They're a hot-selling, cool-smoking favorite with plenty of profit for you.

**WINNERS . . . EVERYONE!**

Brown & Williamson products are designed to bring you the most profit in all lines and prices. Are you getting your share of profit from these live selling items: Kool, the largest-selling 15-cent mentholated cigarette; Raleigh, now selling at the price of ordinary cigarettes; Wings, the popular quality 10-cent cigarette; Sir Walter Raleigh Smoking Tobacco, 15 cents and famous for its mildness; Target, a genuine blended cigarette tobacco for 10 cents; Dial Smoking Tobacco, a smoother blend of Burleys for a dime—full $1\frac{3}{4}$ oz. to tin; Bugler, a blended cigarette tobacco for a nickel; and Golden Grain, the big 5-cent bag of roll-your-own.

# New Regulations on Maryland and Burley

NEW regulations adjusting the rates of processing taxes on Maryland and Burley types of tobacco have been announced today by the Agricultural Adjustment Administration. The 1.7 cents a pound (farm sales weight) processing tax on Maryland tobacco is reduced to zero while the two cents a pound (farm sales weight) processing tax on Burley is increased to 6.1 cents a pound, except on Burley used in the manufacture of plug chewing tobacco and twist, on which the processing tax is established at 4.1 cents a pound. The changes, effective October 1st, were contained in Tobacco Regulations, Series 1, Number 1, signed September 26th by Secretary of Agriculture Henry A. Wallace and approved Thursday by President Roosevelt. The new regulations also consolidate all previous regulations on tobacco.

Both adjustments are necessary, the regulations said, in order to effectuate the declared policy of the Agricultural Adjustment Act. The new rates are equal to the difference between the current average farm price and the fair exchange value of Maryland and Burley tobacco, respectively.

No change is provided in the rates of processing taxes on types of tobacco other than Maryland and Burley. New conversion factors are established for articles processed from Maryland, Burley, flue-cured, fire-cured and dark air-cured tobacco. These conversion factors are for use in determining the amount of taxes and refunds other than on floor stocks. The existing conversion factors for goods processed from Maryland, Burley, flue-cured, fire-cured and dark air-cured tobacco are made applicable for use in determining taxes and refunds on floor stocks only, and no changes are made in these except in the conversion factors applied to twist chewing tobacco and other chewing tobacco.

The regulations fix the measure of the processing tax on Burley tobacco in processing order from which stem has not been removed at seven cents a pound and on Burley tobacco from which stem has been removed at 9.5 cents a pound.

The secretary found, after investigation and after considering testimony given at a public hearing held September 5, 1934, that the full statutory rate of 6.1 cents a pound on Burley manufactured into plug chewing tobacco and twist would cause such reduction in the quantity of Burley manufactured into these products, domestically consumed, "as to result in the accumulation of surplus stocks of Burley tobacco, or of plug chewing tobacco and twist produced therefrom, or in the depression of the farm price of Burley tobacco," and that a rate of 4.1 cents would prevent such results. Hence the establishment of the 4.1 cents a pound (farm sales weight) rate on Burley used in these products. This rate is in line with the rates on flue-cured and dark air-cured tobacco used in the manufacture of plug chewing tobacco and twist.

On Burley tobacco in processing order used in the manufacture of plug chewing tobacco and twist the measure of tax is fixed at 4.7 cents a pound on that from which stem has not been removed and at 6.4 cents a pound on that from which stem has been removed.

# Complaint Against Manila Import

A COMPLAINT that increasing imports of low-priced Philippine cigars are endangering the maintenance of the cigar code, particularly in the York County district of Pennsylvania, is being studied by the Import Section of the National Recovery Administration. Directed against imports from the islands of "two for five" cigars, the complaint has been filed by the committee on importation of Philippine cigars appointed by the Code Authority of the cigar manufacturing industry.

The complaint states that increasing quantities of cigars have entered duty free from the Philippines, on account of the rising cost of tobacco and higher labor costs under the Code, and are competing with domestically produced low-priced cigars which since 1920 have become the "mainstay" of the cigar industry. The cigar committee claims that along with a general decline in the total cigar consumption by the buying public, there has been even less buying of higher-priced cigars. Twenty-three per cent. of consumption in this country was of the cigar selling for five cents or less in 1923 and 85 per cent. in 1933, it is stated.

Upon advice of the National Recovery Administration, following preliminary study of the situation, the President, under Section 3 (e) of the Recovery Act, may order an investigation by the Tariff Commission of complaints made by industries that imports in increasing quantities are endangering the operation of any code. After investigation by the Tariff Commission, the President may take action to protect code operation.

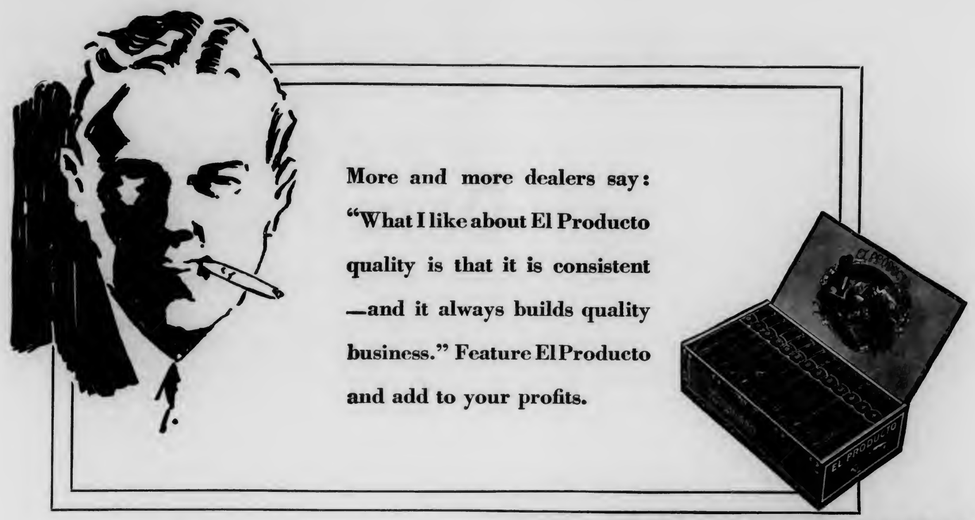
# NRA Labels on Cigar Containers

THE National Recovery Administration has announced approval of the amendment to the code for the cigar manufacturing industry, requiring that all cigars manufactured or distributed under the code have "an NRA label in the form of a stamp affixed to the outside of the container thereof to symbolize . . . the conditions under which they were manufactured." The stamp will bear the NRA insignia and a symbol indicating the intended retail price of the product.

These stamps will be sold to members of the industry by the Code Authority at prices and under conditions to be approved by the Administration. The requirement will not become effective until such approval has been announced by the NRA.

Members of the industry may apply to the Code Authority for permission to use these stamps; and such permission will be granted so long as they comply with the code.




More and more dealers say:
"What I like about El Producto quality is that it is consistent —and it always builds quality business." Feature El Producto and add to your profits.
EL PRODUCTO

G. H. P. CIGAR CO., INC., PHILA., PA.

**EL PRODUCTO**
*for real enjoyment* 10 *cents* AND UP

## KOLODNY ON "TWO-FERS"

(*Continued from Page 5*)

wholesale tobacconists cannot distribute two-for-five cigars on a 10 per cent. basis. They will necessarily divert their sales effort to the distribution and promotion of higher priced cigars and while this may be beneficial to the cigar industry as a whole, it will contribute nothing to the solution of the problems of the two-for-five manufacturers.

Let me illustrate to you, briefly, the hardships this limited margin would impose upon a large number of wholesale tobacconists and why it would be practically impossible for them to continue the distribution of two-for-nickel-cigars.

The jobber pays—at present—for two-for-five cigars anywhere between $16 up to $17.60 per thousand. (Both groups subject to an additional discount of 2 per cent.) This gives the jobber an average discount on two-for-nickel cigars of 14 per cent. plus cash discount of 2 per cent.—practically the maximum permissible under the recently approved cigar merchandising plan.

If this jobber is to be confined and limited to a discount of 10 per cent. on a gross price of $20, it would involve a sacrifice of 4 per cent. on his total purchases. If the jobber is selling five million two-for-nickel cigars per year, it would mean a cost—to him—of $4000 per year—which may actually be the difference between his operating in "black" or "red" figures. And, Mr. Administrator, as of today, a volume of five million two-for-nickel cigars per year is common among many, many wholesale tobacconists.

While the continuance of production of two-for-five cigars is a subject of constant and serious debate among many members of the manufacturing and distributing branches of the industry, we believe, however, that just as long as two-for-nickel cigars are manufactured and that if labor is to be employed and machinery used for their production—it must produce a fair return and a living income for the wholesale tobacconist and his employees.

Of course, Mr. Administrator, I question the feasibility, practicability, or perhaps the good sense of the continuance of the production of any product, if, in order to present it to the consumer at a low price, the maker of the product or the distributor of that product must be deprived of a livelihood and his ability to maintain a high standard of hours and wages.

I can foresee a most glorious day for humanity if products so exacting will be eliminated from human consumption. This is, however, a prophecy of the future.

We are confronted and are facing—at this time—the realities of life and as a realist, I am constrained to inform you, and those members of the industry who believe that the recommendations presented at the present hearing are the best solution, that it would be physically and absolutely impossible for the wholesale tobacconists to market such cigars at such a limited discount.

I am submitting—for the record—a number of letters and telegrams received from our members expressing opinion regarding the subject matter of this hearing.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

WHEN representatives of the two-for-five-cent branch of the cigar industry appeared before officials of the National Recovery Administration to discuss recommendations of the Code authority to deal with an alleged emergency in the industry, eleven recommendations were submitted by the Code authority, as follows:

"That all manufacturers of cigars, stogies and cheroots made to retail at two for five cents shall, except as otherwise in these recommendations specifically provided, comply with each and every provision of the Code for the cigar manufacturing industry; and all previous orders and resolutions granting any exemptions and/or stays with respect to the obligation of such manufacturers to comply with said Code be and the same hereby are specifically revoked and annulled.

"That the weight of cigars, stogies and cheroots manufactured to retail at two for five cents shall be limited to and shall not exceed 18 pounds per thousand, to be determined at the time when such cigars, stogies and cheroots are packed in containers as hereinafter provided.

"That cigars and stogies manufactured to retail at two for five cents shall be packed by manufacturers in containers and not less than 100 such cigars and stogies shall be packed in each container.

"That notwithstanding any different or contrary provision of the Code or of the merchandising provisions thereof; the selling price to retailers of cigars, stogies and cheroots manufactured to retail at two for five cents weighing between 13 and 18 pounds per thousand shall be not less than $20 per thousand, less a discount of 2 per cent. for cash, and the selling price to jobbers of such cigars, stogies and cheroots shall be not less than $18 per thousand, less a discount of 2 per cent. for cash.

"That notwithstanding any different or contrary provision of the Code or of the merchandising provisions thereof, the selling price to retailers of cigars and stogies manufactured to retail at two for five cents weighing less than 13 pounds per thousand shall be not less than $19.60 per thousand, less a discount of 2 per cent. for cash, and the selling price to jobbers of such cigars and stogies shall be not less than $17.60 per thousand, less a discount of 2 per cent. for cash.

"That no special allowance as to selling price shall at any time be given to any retailer or jobber which in substance or effect will reduce the prices hereinabove specified.

"That the foregoing limitations and restrictions with respect to the weight, method of packing, selling prices, discounts and special allowances shall be binding upon all manufacturers and importers with respect to all cigars and stogies and also to cheroots weighing over 13 pounds, to be sold at two for five cents anywhere and everywhere in continental United States, regardless of where such cigars, stogies and cheroots are manufactured.

"That the foregoing recommendations numbered 'First' and 'Fourth' applicable to cigars, stogies and cheroots shall become effective not later than October 1, 1934, and be applicable to all cigars and stogies and to all cheroots weighing over 13 pounds, selling at two for five cents in continental United States, including such cigars imported from the Philippines and Puerto Rico. That the foregoing recommendation numbered 'Fifth' applicable to cigars and stogies shall become effective not later than October 1. 1934 and be applicable to all such cigars selling at two for five cents in continental United States, including such cigars imported from the Philippines and Puerto Rico.

"That the foregoing recommendation numbered 'Second' shall become effective not later than January 1, 1935, and shall be applicable to all cigars, stogies and cheroots selling at two for five cents in continental United States. That the foregoing recommendation numbered 'Third' shall become effective not later than January 1, 1935 and shall be applicable to all cigars and stogies selling at two for five cents in continental United States.

"That cheroots weighing less than 13 pounds per thousand and little cigars as hereinafter defined, are not and shall not be deemed to be affected by any of the foregoing recommendations.

"To make effective the purpose and intent of these recommendations and for the purpose of clarity, uniformity and compliance therewith and the Code of the Cigar Manufacturing Industry, cigars, stogies, cheroots and little cigars are hereby defined as follows:

"(a) A cigar is a product made entirely of tobacco with a finished head;

"(b) A stogie is a product made entirely of tobacco of a distinctive type as to contents and appearance. It frequently has an unfinished or twisted head and is often not easily distinguishable from other cigars. In order to differentiate between stogies and cigars, manufacturers must register the brand names of such cigars and designate them as stogies with the National Tobacco Council and with the Manufacturing Committee of the Cigar Code Authority and shall submit box samples to such Manufacturing Committee for acceptance as to such designation;

"(c) A cheroot is a product made entirely of tobacco open at both ends;

"(d) Little cigars are a product made entirely of tobacco, the total weight of which is not more than three pounds per thousand."



## Under Billy Penn's Hat

Herman Abrams, representing the Medalist factory, is now in Harrisburg territory, expanding the distribution and sale of the Medalist brand in excellent fashion. Yahn & McDonnell report this brand showing a marked increase in demand.

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Another visitor in town last week was William Freeman, of the Medal of Honor Cigar Company, and William Osborne, of the Larranaga factory.

John L. McGuerty stopped off here to visit the retail and jobbing trade and spread the good news that Romeo y Julieta is going ahead at a fast pace. N. Snellenburg & Co., has been featuring a window and case display of Romeo y Julieta with splendid results.

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The Don Sebastian brand, distributed by John Wagner & Sons, is being displayed in a greater number of stands here every day, and the demand for this brand is showing a splendid increase. George Stocking, genial representative of Arango y Arango, is expected in town this week. Gimbel Brothers have been featuring a fine display on Don Sebastian cigars during the past week and gaining new friends for the brand.

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STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

Of THE TOBACCO WORLD, Published Semi-Monthly at Philadelphia, Penna., for October 1, 1934.

State of Pennsylvania, ss.
County of Philadelphia,

Before me, a Notary Public in and for the State and County aforesaid, personally appeared Gerald B. Hankins, who, having been duly sworn according to law, deposes and says that he is the business manager of THE TOBACCO WORLD, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of publisher, editor, managing editor, and business managers are:

Publisher—The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.
Editor—Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.
Managing Editor—None.
Business Managers—Gerald B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.
Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is..... (This information is required from daily publications only.)

GERALD B. HANKINS,
Business Manager.

Sworn to and subscribed before me this
28th day of September, 1934.
JOHN J. RUTHERFORD.
(Seal) Notary Public.
My commission expires January 22, 1935.

## TOBACCO TRADE ORGANIZATIONS

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**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
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**Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.**

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### REGISTRATION

**SKEET:—46,371.** For all tobacco products. The Axton-Fisher Tobacco Co., Inc., Louisville, Ky., September 27, 1934.

### TRANSFERS

**EL VENDURA:—23,400** (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered May 9, 1912, by Emze Cigar Co., Philadelphia, Pa. Transferred to Geo. Zifferblatt & Co., Philadelphia, Pa., September 25, 1934.

**GOLD STRIPE:—45,679** (Tobacco Merchants' Association). For all tobacco products. Registered February 17, 1930, by Geo. Schlegel, Inc., New York, N. Y. Transferred to Continental Cigar Corp., Scranton, Pa., September 26, 1934.

**UNCLE FULLER:—45,001** (Tobacco Merchants' Association). For twist and smoking tobacco only. Registered June 13, 1927, by Brittain Tobacco Co., College Grove, Tenn. Transferred to Barlow-Moore Tobacco Co., Inc., Bowling Green, Ky., September 25, 1934.

**BRAN-NU:—45,002** (Tobacco Merchants' Association). For twist and smoking tobacco only. Registered June 13, 1927, by Brittain Tobacco Co., College Grove, Tenn. Transferred to Barlow-Moore Tobacco Co., Inc., Bowling Green, Ky., September 25, 1934.

**LORD JAMES:—30,108** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered June 27, 1904, by Geo. Schlegel, New York, N. Y. Through mesne transfers acquired by Chicago Cigar Box Co., Inc., Chicago, Ill., and re-transferred to Nathan Ginsburg, Chicago, Ill., September 28, 1934.

**GOLD STRIP:—45,679** (Tobacco Merchants Association). For all tobacco products. Registered February 17, 1930, by Geo. Schlegel, Inc., New York, N. Y. Transferred to Continental Cigar Corp., Scranton, Pa., and re-transferred to the Stratford Cigar Co., Inc., Dayton, Ohio, October 2, 1934.

**JOHN GRAHAM:—23,767** (Tobacco Leaf). For cigars, cigarettes, smoking fine cut and plug tobacco, snuff and cheroots. Registered August 18, 1902, by E. C. Walters, Minneapolis, Minn. Through mesne transfers acquired by John H. Swisher & Son, Inc., Newark, Ohio, and re-transferred to F. A. Brown & Co., Lincoln, Neb., September 25, 1934.

**GATEWAY:—14,521** (Tobacco Leaf). For cigars. Registered January 10, 1898, by Shaw & Kirkland, Utica, N. Y. Transferred to E. Popper & Co., Inc., New York, N. Y. October 2, 1934.

**CAVALCADE:—26,973** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered June 18, 1902, by Geo. Schlegel, New York, N. Y. Transferred to Continental Cigar Corp., Scranton, Pa., October 5, 1934.

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NOVEMBER 1, 1934

VOLUME 54 No. 21

# THE TOBACCO WORLD

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WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol. 54 NOVEMBER 1, 1934 No. 21


THE STAY on the merchandising provisions of the Retail Tobacco Code as affecting cigars, having been lifted and ample time having been given to the trade to acquaint itself with the provisions, the Code went into full effect on October 29th. Sales below the minimum price established constitute a violation of the Retail Tobacco Code and will receive the prompt attention of the National Emergency Council of the National Recovery Administration.

THE RETAIL price of cigars is recorded by the manufacturers. These recorded prices must not be cut. On cigars selling at less than five cents each, there is no discount allowed for quantity sales. On sales of cigars retailing at five cents each or more, a discount of not more than 5 per cent. may be allowed on quantities of ten or more units. This is arrived at by multiplying the unit price by the number of units sold and deducting the discount allowed. All fractions of a cent in the resulting total to be added as an even cent.

On sales by the box at retail—twenty-five cigars or more—a discount of not more than 8 per cent. may be allowed. This is computed as in the paragraph above.

EXAMPLES OF LOWEST PRICES AT WHICH CIGARS MAY BE SOLD UNDER THE CODE

| Recorded Prices | One Cigar | 10 Cigars | 25 Cigars | 50 Cigars |
|---|---|---|---|---|
| | | Maximum discount of 5% | Maximum discount of 8% | Maximum discount of 8% |
| Less than 5¢ each | | No Reductions | | |
| 5¢ | 5¢ | 48¢ | $1.15 | $2.30 |
| 6¢ | 6¢ | 57¢ | 1.38 | 2.76 |
| 7¢ | 7¢ | 67¢ | 1.61 | 3.22 |
| 2 for 15¢ | 8¢ 2/15¢ | 72¢ | 1.73 | 3.45 |
| 3 for 25¢ | 9¢ 3/25¢ | 80¢ | 1.92 | 3.84 |
| 10¢ | 10¢ | 95¢ | 2.30 | 4.60 |
| 2 for 25¢ | 2/25¢ 13¢ | 1.19 | 2.88 | 5.75 |
| 15¢ | 15¢ | 1.43 | 3.45 | 6.90 |
| 3 for 50¢ | 17¢ 3/50¢ | 1.59 | 3.84 | 7.67 |
| 20¢ | 20¢ | 1.90 | 4.60 | 9.20 |
| 25¢ | 25¢ | 2.38 | 5.75 | 11.50 |
| 3 for $1. | 34¢ 3/$1. | 3.17 | 7.67 | 15.33 |

Maximum discount of 8 per cent. on 100 cigars or more.

Exception—The cigar manufacturer may have recorded a box price of less than 8 per cent. allowance—and marked price on the box—in such case the recorded price is to prevail.

The retailer may give not more than one pad of matches with each unit sold, or five to each box of twenty-five cigars or ten to each box of fifty cigars sold.

No cash discounts may be allowed.

In States where there is a State tax, such tax is to be added to minimum price recorded.

Damaged goods may be sold at less than recorded prices, provided certain well-defined conditions are strictly adhered to.

Recorded prices shall not be reduced by coupons, premiums, or by any device or subterfuge.

Commissions, rebates or refunds of any character are specifically forbidden under the Code.

FOLLOWING are extracts from the Code of Fair Competition for the Retail Tobacco Trade, as approved on June 19, 1934, by President Roosevelt:

SECTION 1. In the case of all cigars purchased by retailers from cigar manufacturers, jobbers or subjobbers in connection with which a retail price shall have been recorded by the manufacturer as hereinabove provided, the retailer shall sell such cigars at retail at not less than the retail price so recorded, provided, however, that (1) in the case of the sale at retail of multiples of not less than ten (10) units (except in the case of cigars selling for less than five cents (5¢) each) a discount may be allowed of not more than five per cent. (5%) from the retail price, and (2) in the case of sales at retail of boxes of twenty-five (25) cigars or more a discount of not more than eight per cent. (8%) from the retail price may be allowed unless the cigar manufacturer shall record with the Council and mark a box price thereon involving a discount of less than eight per cent. (8%) in which case the marked box price shall be observed as a minimum, and (3) the retailer may give not more than one (1) pad of matches for each unit sold, or five (5) pads per box of twenty-five (25) cigars or ten (10) pads per box of fifty (50) cigars sold. In the case of any retailer granting a cash discount upon all purchases made, any sales of cigars shall be excluded in computing the cash discount to be allowed, or the amount of cash discount shall be included in the price of the merchandise sold in addition to the minimum prices herein provided.

SECTION 2. Upon any sale to a consumer, situated at the time of such sale in a state imposing a tax on tobacco products or the sale thereof (other than a tax payable by the manufacturer) the amount of such tax,

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

if not paid by the consumer, shall be added to the minimum price herein provided, whether the seller shall be located within or without such state.

SECTION 3. Notwithstanding the provisions of this merchandising plan, any tobacco retailer may sell at less than the prices therein prescribed merchandise sold as bona fide clearance or bona fide discontinued lines of merchandise or imperfect or actually damaged merchandise or merchandise sold upon the complete final liquidation of any business or merchandise donated for charitable purposes or to unemployment relief agencies, provided that all such merchandise shall be advertised, marked and sold as such and that a strip label shall be placed across the inside lid label of box goods to be disposed of, stating the reason the said merchandise is being sold below the prescribed prices therefor and provided further that such merchandise shall be disposed of pursuant to any regulation as to the manner of such disposal as shall be issued by the Code Authority subject to the approval of the Administrator.

SECTION 4. Except as in this merchandising plan otherwise expressly provided wherever under any of the provisions of this merchandising plan any cigar is required to be sold at retail at a minimum price, such minimum retail price shall not be reduced directly or indirectly or by any device or subterfuge such as the giving of any trading or merchandise coupons, prizes or premiums or any other thing of value or discount, rebate, refund, commission, credits or allowances whether in the form of money or otherwise; nor shall any retailer offer or extend special service or privilege to any customer which is not available to all customers.

These box prices apply only if the manufacturer has not fixed the box price at a greater amount. Illustration: A manufacturer may file the box price of a 2/25-cent cigar at $6 a box, and so mark the box. In such case, the box price for fifty cigars would be $6, and the 8 per cent. reduction would not be allowed.

## RETAILING REQUIREMENTS

**By I. H. Lefkowitz,**
**Pres. Associated Retailers, Inc.**

THE RETAIL CODE AUTHORITY has issued the following order, and it becomes a part of the Code: "Purchase of merchandise from Code violators: It shall be an unfair trade practice for any member of the Retail Tobacco Trade to purchase any brand of cigars with respect to which the manufacturer shall have violated the provisions of the Cigar Merchandising Plan in relation to the filing of minimum retail prices and discounts or any other merchandising provisions of the Code of Fair Competition for the Cigar Manufacturing Industry, relating to sales to retailers." This, in short, means that you are not to purchase, sell or display any cigars unless

1. The manufacturer notifies you officially that he has filed prices and discounts with the National Tobacco Council;

2. That their shipments received by you on the 29th of October or thereafter are stamped with the Code Authority stamp;

3. That their boxes show prominently the Resale Price of each cigar.

The cigar manufacturers generally are all living up to the Code, but if any manufacturer should not follow out the above conditions, he is a Code violator just as much as you, who are selling his cigars.

### REMEMBER

1. Retail selling prices must be as the boxes are marked by the manufacturer.

2. You can give 5 per cent. discount on purchases of ten cigars. Any less than ten gets no discount.

3. The only exception, under a new order, is five ten-cent cigars, which may be sold at 5 per cent. discount, or 48 cents net.

4. Nothing else is allowed, not even seven for $1.

5. A box buyer gets 8 per cent. discount from the sale price of 25 or 50 individual cigars. He does not get both the 5 per cent. and the 8 per cent. He gets only the 8 per cent.

6. Small cigars, selling under a nickel, do not get the benefit of the 5 per cent. For instance, a package retailing at ten for 13 cents cannot be sold two for 25 cents.

7. Small cigars, cheroots and stogies all are classed in the cigar Code as cigars.

8. Read your copy of the Code. The Cigar Merchandising Plan goes into full effect on October 29, 1934.

## CODE AUTHORITIES APPROVED

THE National Industrial Recovery Board has approved the method of selection and recognized the personnel of the Code Authority for the retail tobacco trade. The members are: William A. Hollingsworth, 233 Broadway, New York City; Clifford A. Dawse, 200 Ellicott Square, Buffalo, N. Y.; I. H. Lefkowitz, 128 W. Thirty-sixth Street, New York City; Joseph Sanderson, 4 Washington Avenue, Chelsea, Mass.; Louis Klein, 1300 Euclid Avenue, Cleveland, O.; Arthur S. Meyer, vice-president, D. A. Schulte, Inc., 386 Broadway, New York City, and for the non-association members of the trade, Daniel Crean, 256 W. Fifty-seventh Street, New York City; Frederick W. Griffith, Pennsylvania Drug Co., New York City, drug dealers representative; and Howard H. Gehrhard, Sanitary Grocery Co., Washington, D. C., food and grocery distributors representative.

NRA has also announced the appointment of Administration members to the Wholesale Tobacco Trade as follows: Robert E. Rinehart, vice-president of the Frank Presbrey Co., New York City. Mr. Rinehart also is Administration member of code authorities for the cigar manufacturing and coffee industries.

## GENERAL CIGAR PROFITS

GENERAL CIGAR CO. and its wholly owned subsidiary, General Cigar Co., of Cuba, Ltd., report for the quarter ended September 30th net income of $634,611 after interest, depreciation, Federal taxes, etc., equal after dividend requirements on the 7 per cent. preferred stock to $1.16 a share on 472,982 no-par shares of common stock. This compares with the net income of $737,036 or $1.37 a share on the common in the preceding quarter and net loss of $242,619 in the September quarter of 1933 after inventory adjustment amounting to $1,006,423. For nine months net income was $1,706,825 after charges and taxes, equal to $3.05 a share on the common, compared with net income in the similar 1933 period of $198,438, equal to $3.97 a share on the 50,000 shares of 7 per cent. preferred stock.

Harry Tint, 1420 Chestnut Street, is featuring a fine display of Romeo y Julieta cigars, with good results.



# Cigars Down, Cigarettes Up, in September

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for September 1934 are subject to revision until published in the annual report.)

| Products | September 1934 | September 1933 |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 346,729,725 | 364,432,420 |
| Class B .....No. | 3,814,707 | 2,435,570 |
| Class C .....No. | 41,207,946 | 52,199,642 |
| Class D .....No. | 2,909,049 | 4,168,531 |
| Class E .....No. | 200,353 | 363,623 |
| Total ..... | 394,861,780 | 423,599,786 |
| Cigars (small) .....No. | 21,017,440 | 21,994,000 |
| Cigarettes (large) ..No. | 165,600 | 243,900 |
| Cigarettes (small) ..No. | 10,294,498,803 | 9,527,722,933 |
| Snuff, manufactured..lbs. | 2,794,486 | 3,210,301 |
| Tobacco, manufct'd .lbs. | 24,439,279 | 25,922,557 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| Products | September 1934 | September 1933 |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 4,272,400 | 3,025,450 |
| Class B .....No. | 222,000 | 59,000 |
| Class C .....No. | 73,650 | 72,250 |
| Total ..... | 4,568,050 | 3,156,700 |
| Cigars (small) ....No. | 190,000 | 650,000 |
| Cigarettes (large) ..No. | ..... | 50,000 |
| Cigarettes (small) ..No. | 360,200 | 319,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| Products | September 1934 | September 1933 |
|---|---|---|
| Cigars (large): | | |
| Class A .....No. | 5,700,615 | 23,114,825 |
| Class B .....No. | 10,027 | 16,720 |
| Class C .....No. | 6,156 | 16,868 |
| Class D .....No. | ..... | 50 |
| Class E .....No. | ..... | 501 |
| Total ..... | 5,716,798 | 23,148,964 |
| Cigars (small) .....No. | 7,800 | ..... |
| Cigarettes (large) ..No. | ..... | 3,000 |
| Cigarettes (small) ..No. | 30,400 | 96,370 |
| Tobacco manufact'd..lbs. | ..... | 42 |

## SEPTEMBER WITHDRAWALS 1920 TO 1932 INCLUSIVE

| | | | |
|---|---|---|---|
| Sept., 1920 | 678,640,116 | Sept., 1926 | 600,016,402 |
| Sept., 1921 | 614,427,829 | Sept., 1927 | 639,359,094 |
| Sept., 1922 | 625,771,965 | Sept., 1928 | 586,266,514 |
| Sept., 1923 | 598,817,907 | Sept., 1929 | 591,738,380 |
| Sept., 1924 | 605,608,215 | Sept., 1930 | 523,973,060 |
| Sept., 1925 | 575,763,645 | Sept., 1931 | 449,329,986 |

September, 1932, 405,418,907

## COMPARATIVE COLLECTIONS FOR THE MONTH OF SEPTEMBER

| Source of Revenue | 1934 | 1933 |
|---|---|---|
| Cigars ..... | $972,024.37 | $1,109,307.07 |
| Cigarettes ..... | 30,884,779.93 | 28,585,235.59 |
| Snuff ..... | 503,007.49 | 577,854.20 |
| Tobacco, chewing and smoking ..... | 4,399,263.25 | 4,666,115.95 |
| Cigarette papers and tubes ..... | 92,722.56 | 68,985.76 |
| Miscellaneous, relating to tobacco ..... | 1,889.40 | 15.74 |

## COLLECTIONS FROM AGRICULTURAL ADJUSTMENT TAXES AND TOBACCO SALES TAX

| Commodity | Month of September | Total from July 1, 1934 (fiscal year 1935) |
|---|---|---|
| Tobacco (tax effective October 1, 1933) | | |
| Processing tax ..... | $2,455,622.08 | $7,059,358.67 |
| Import compensating taxes ..... | 11,819.74 | 87,086.60 |
| Floor taxes ..... | 3,034.95 | 9,847.99 |
| Total, tobacco.. | $2,470,476.77 | $7,156,293.26 |

## TOBACCO COUNCIL EXPLAINS

THE National Tobacco Council issued the following explanation of Article VI, Section 2, of the Code of Fair Competition for the Retail Tobacco Trade (part (c), section 2, of Schedule I), which requires the addition of the amount of all taxes on tobacco products or the sale thereof (other than a tax payable by the manufacturer) to the minimum prices of cigars as listed with the Council under the Cigar Merchandising Plan:

1. The requirement of the Cigar Merchandising Plan that the amount of State taxes (other than those payable by the manufacturer) shall be added to the minimum retail price applies only to specific taxes on cigars and not to sales taxes applicable generally to all sales of merchandise.

2. In States where a specific tax (other than taxes payable by the manufacturer) is levied on cigars, the amount of such tax must be added to the minimum retail price as recorded and shown on the box or container. Where the amount of the tax amounts to any fraction of a cent it shall be treated as a full cent and added to the recorded minimum unit price.

3. In computing the tax on multiple sales the total tax shall be added to the multiple sales price and if the net result contains a fraction such fraction shall also be treated as a full cent.

4. For example: Where the State tax on cigars would be one-half of a cent on a five-cent cigar, one cigar must be sold for six cents and two cigars for eleven cents, ten cigars for fifty-five cents, less 5 per cent., or fifty-three cents.

# PHILADELPHIA.

### BAYUK BUSINESS BREVITIES

BOB RINK, formerly with the Bayuk selling organization and now associated with Electronic Laboratories, Indianapolis, Ind., specialists in displays, stopped in for a visit with his old co-workers while on a business trip to Philadelphia . . . The Sunshine Club held a highly enjoyable social affair at Broadwood Hotel, and there were about 2500 people there. The club is composed and officered by Bayuk employees. This year's gathering, at which the music was rendered by Earl Denny's Orchestra, exceeded any of the annual affairs held in the past . . . Carleton Evans, of the Washington Tobacco Co., Bayuk distributor in the Capitol City, was a recent visitor at headquarters, and reported himself as well pleased with the strong demand Bayuk brands are enjoying in that market . . . Phillies are well displayed in the local market, where distribution is handled by the Philadelphia branch office under the supervision of E. Sharrock.

### G. H. P. JOTTINGS

RETURNING from a couple of weeks' trip through the Middle West, Frank P. Will, executive vice-president of G. H. P., attended the annual sales meeting in New York, where, among other things, were discussed promotion plans for holiday sales of El Producto. He was accompanied by D. A. Jenks, assistant sales manager, who had just returned from Buffalo, Rochester, Seranton and other points . . . Irving Sand and John F. Moffitt are two of the latest additions to G. H. P.'s New York sales force. Mr. Jenks says this expansion of the Manhattan force is in line with what G. H. P. is doing throughout the country generally, men having been recently added in Chicago, Detroit and Cleveland . . . Abe Finesman, of the American Beauty Cigar Co., of the Ohio towns of Toronto and Canton, was a recent visitor. He brought the good news that his brother, Morris, who has been sick, is now well.

Barton Lemlein, of M. Sacks & Co., stopped off in Philadelphia last week to report good business for his firm. Mr. Lemlein has just returned from a trip as far west as the Pacific coast, due to the illness of Joe Banker, and reports a most successful trip.

## Trade Notes

The Gimbel Store is featuring Wagner cigars this week in a fine counter and case display.

Abe Caro, the Optimo man, was a visitor at Yahn & McDonnell headquarters last week.

John L. McGuerty, of the Romeo y Julieta factory, was in town last week and reports business showing a nice increase on his brand.

One of the street windows of the M. J. Dalton store at 617 Chestnut Street was broken on Sunday night, and John Flanigan reports the loss of several fine Ronson lighters.

William Copple, sales representative for the M. Marsh & Son factory, Wheeling, W. Va., was in town last week and was highly elated over the splendid demand for Marsh products in this territory.

Ben Lumley, factory representative of the Garcia y Vega factory, has just returned from a highly successful trip to Baltimore and Washington, in the interest of his brand.

Clarence Thompson, for many years in charge of the cigar stand in the Bellevue-Stratford Hotel, has joined the forces of Faber, Coe & Gregg, and is covering parts of Pennsylvania in the interest of their fine line of post-prohibition beverages.

Tony Garcia, of Garcia y Vega, entertained the sales and office forces of Yahn & McDonnell, local distributors of his brand, at the Penn Athletic Club on October 19th. A splendid dinner was served the guests and plenty of good entertainment was provided.

Herman Abrams, Medalist factory representative, is on a trip through eastern Pennsylvania in the interest of his brand, and from reports coming in to the local distributors of the brand, Yahn & McDonnell, he is having a highly successful trip.

WHEN DETAILS ARE WEARING . . .
GET A LIFT WITH A CAMEL!
● On this page are submitted the latest reports received from Camel smokers...real experiences of real people. Miss Eve Miller has an exacting job as a New York department-store executive. She appreciates the value of keeping her energy up to par. She says: "I started to smoke Camels because I appreciate mildness and delicacy of flavor. I found, too, that Camels give me a 'lift' when my energy is low—and Camels never upset my nerves."
PRE-MEDICAL STUDENT. Charles Stephens, Jr., says: "When I am 'done in,' a Camel erases that tired feeling. And Camels are a milder cigarette!"
CHAMPION GOLFER. Miss Helen Hicks says: "I can always restore my energy with a Camel. And I can smoke Camels constantly without jangled nerves."
LEAF-TOBACCO EXPERTS AGREE:
"Camels are made from finer, More Expensive Tobaccos—Turkish and Domestic—than any other popular brand."
CAMEL
You are invited to Tune In on the New
CAMEL CARAVAN
with
WALTER O'KEEFE • TED HUSING
ANNETTE HANSHAW
GLEN GRAY'S CASA LOMA ORCHESTRA
TUESDAY
10:00 P.M. E.S.T. 8:00 P.M. M.S.T.
9:00 P.M. C.S.T. 7:00 P.M. P.S.T.
THURSDAY
9:00 P.M. E.S.T. 9:30 P.M. M.S.T.
8:00 P.M. C.S.T. 8:30 P.M. P.S.T.
Over Coast-to-Coast—WABC-Columbia Network
TRANSPORT PILOT. "When I notice that 'all in' feeling coming on, I light up a Camel," reports Maurice Marrs. "And the tiredness is quickly relieved."
CAMEL'S COSTLIER TOBACCOS NEVER GET ON YOUR NERVES!
Copyright, 1934, R. J. Reynolds Tobacco Company

# Jobbers and Sub-jobbers Attention:

## Merchandising Provisions Now Effective

PLEASE take notice that by an order dated September 11, 1934, the Administrator for Industrial Recovery has made effective the provisions of the Cigar Merchandising Plan set forth as Schedule 1 and made a part of the Codes of Fair Competition for the Cigar Manufacturing Industry, the Wholesale Tobacco Trade and the Retail Tobacco Trade. A copy of the administrative order and a copy of the Cigar Merchandising Plan are enclosed herewith.

Under the Cigar Merchandising Plan each cigar manufacturer (other than cigar manufacturers who sell exclusively and directly to the consumer) is required to record with National Tobacco Council, Inc., the minimum sales price at which each cigar of his manufacture is intended to be sold at retail (exclusive of any governmental tax or charge thereon required to be paid by the jobber or retailer) and also to record with the council the discounts and credit terms to be allowed by him on all sales to retailers, accredited cigar jobbers, service jobbers and drop shipment purchasers.

All jobbers and sub-jobbers are similarly required to record the discounts and credit terms to be allowed upon all resales by them at wholesale. Your attention is called particularly to Part "B" of the Merchandising Plan which describes in detail your principal obligations and the maximum discounts and credit terms which you may allow.

You will note that each jobber is required to record the discounts upon all resales of cigars which he may in his discretion make to sub-jobbers. If you do not make any sales to sub-jobbers it will be unnecessary for you to record any discounts as far as sub-jobbers are concerned. If and when you do deal with sub-jobbers you are required to record your discounts to sub-jobbers.

In any event, each jobber and each sub-jobber must record with the council the discounts and credit terms to be allowed upon all sales of cigars to retailers.

Blank forms, a supply of which estimated to meet your requirements is enclosed herewith, have been prepared for the reporting and recording of a schedule of your discounts to retailers and to sub-jobbers (if you deal with sub-jobbers) on each shape or size of each brand of cigars handled by you, and the credit terms established by you with respect to the same. If the supply is inadequate, additional forms can be secured upon written request by mail or wire or personal application to the council.

Under the Cigar Merchandising Plan no jobber is permitted to grant to a sub-jobber or a retailer any discounts or credit terms exceeding the discounts which such jobber shall have received from the manufacturer. If, therefore, you are a jobber you should have before you in preparing your reports a copy of the schedule of discounts recorded with the council by the manufacturer of each brand of cigars which you handle.

The Cigar Merchandising Plan similarly provides that no sub-jobber may grant to a retailer any discounts or credit terms exceeding the discounts from the retail price which such sub-jobber shall have received from the jobber. If, therefore, you are a sub-jobber as to any brands of cigars you should have before you in making out your reports a copy of the schedule of discounts recorded with the council by each jobber with whom you deal.

If you are a jobber purchasing directly from the manufacturer certain brands of cigars and a sub-jobber purchasing other brands of cigars from jobbers you should make reports as to the first class as a jobber and as to the second class as a sub-jobber.

Provided that you segregate your reports as above stated, you may include more than one brand of the same manufacturer on the same report.

The discount reports must be completed in triplicate. The first and second copies must be forwarded to National Tobacco Council, Inc., at its offices, 100 East Forty-second Street, New York City, N. Y. The third copy is to be retained for your files. These forms should be prepared on the typewriter and not by hand. In the event that they are prepared by hand, please print—do not write—the data which you fill in.

These blank forms have been prepared so as to include only the essential information:

(a) The name and address of your firm.
(b) Whether, as to the brand referred to in each report, you are an accredited jobber, a service jobber or a sub-jobber (to be indicated by a cross in the proper box in the form).
(c) The name of the manufacturer.
(d) The name of each brand handled by you.
(e) The breakdown of shapes and/or sizes (frontmarks).
(f) The respective discounts to be allowed by you on all sales to retailers.
(g) The respective discounts to be allowed by you on all sales, if any, to sub-jobbers. If you do not deal with sub-jobbers you need not fill in this column.
(h) The cash discount and terms of sale (not exceeding 2 per cent.). The appropriate blank in the form should be filled in so as to state the percentage of the cash discount, if any, and the maximum period for which you will allow such discount.

For record purposes and to enable the control and check-up of the discount reports received from each jobber or sub-jobber a transmittal form has been designed, copies of which are supplied to you. All discount reports forwarded to you for recording should be accompanied by the first copy of this transmittal record properly filled in.

The discounts filed with the Council must be held strictly confidential, and may in no way be divulged until they shall have become effective. This obligation of secrecy applies equally to the recording party, who, you will notice, is required, in connection with the recording, to agree that until the discounts recorded by him shall have become effective he will not disclose any information concerning the same.

The recording of your discounts is not complete or effective until your reports have been actually received by National Tobacco Council, Inc., and have been accepted for recording and filed by the Council. At the earliest possible moment after the recording of your

(*Continued on page 12*)

# Resolutions of Retailers' Authority

William A. Hollingsworth, chairman, National Code Authority for the Retail Tobacco Trade, calls attention to two resolutions which have been adopted by the Retail Tobacco Dealers' Code Authority. The first resolution deals with a slight amendment to the Cigar Merchandising Plan. The amendment provides that a five per cent. discount may be given on 10-cent cigar purchases of 50 cents or more. This will allow five per cent. discount on the five packs of 10-cent cigars. Prior to the adoption of this amendment, ten 5-cent cigars could be sold for 48 cents, while five 10-cent cigars had to be sold for 50 cents. As both the 5-cent and 10-cent cigar manufacturers pack 50-cent packages, the 10-cent manufacturers felt they were being discriminated against; thus, the change as set forth by the amendment.

The second resolution entails contemplated action by the retail dealers of the country against any cigar manufacturer who violates the Cigar Manufacturers' Code and the Cigar Merchandising Plan embodied in the Code.

RESOLVED, that this Code Authority hereby recommends to the Administrator and to the Code Authority for the Wholesale Tobacco Trade and the Code Authority for the Cigar Manufacturing Industry, the adoption and approval of the amendment of Part C, Section 1, of the Cigar Merchandising Plan, Schedule I, annexed to the Codes for the Retail Tobacco Trade, Wholesale Tobacco Trade and the Cigar Manufacturing Industry, so that the same shall read as follows:

"Section 1. In the case of all cigars purchased by retailers from cigar manufacturers, jobbers or subjobbers in connection with which a retail price shall have been recorded by the manufacturer as hereinabove provided, the retailer shall sell such cigars at retail at not less than the retail price so recorded, provided, however, that (1) in the case of the sale at retail of multiples of not less than five units at an aggregate purchase price of not less than 50¢ a discount may be allowed of not more than five per cent. (5%) from the retail price, and (2) in the case of sales at retail of boxes of twenty-five (25) cigars or more a discount of not more than eight per cent. (8%) from the retail price may be allowed unless the cigar manufacturer shall record with the Council and mark a box price thereon involving a discount of less than eight per cent. (8%) in which case the marked box price shall be observed as a minimum, and (3) the retailer may give not more than one (1) pad of matches for each unit sold, or five (5) pads per box of twenty-five (25) cigars or ten (10) pads per box of fifty (50) cigars sold. In the case of any retailer granting a cash discount upon all purchases made, any sales of cigars shall be excluded in computing the cash discount to be allowed, or the amount of cash discount shall be included in the price of the merchandise sold in addition to the minimum prices herein provided.

FURTHER RESOLVED, that the Chairman be, and hereby is, authorized and directed to present the foregoing recommendations to the Administrator and to take all action in his judgment necessary or desirable to secure the early approval of said recommendations by the Administrator.

RESOLVED, that this Code Authority hereby recommends to the Administrator the adoption and approval of the following amendment to the Code of Fair competition for the Retail Tobacco Trade, to be added as Section 10 of Article VII, entitled, "Trade Practices":

Section 10—Purchase of merchandise from Code violators. It shall be an unfair trade practice for any member of the Retail Tobacco Trade to purchase any brand of cigars with respect to which the manufacturer shall have violated the provisions of the Cigar Merchandising Plan in relation to the filing of minimum retail prices and discounts or any other merchandising provisions of the Code of Fair Competition for the Cigar Manufacturing Industry, relating to sales to retailers.

FURTHER RESOLVED, that the Chairman be, and hereby is, authorized and directed to present the foregoing recommendations to the Administrator and to take all action in his judgment necessary or desirable to secure the early approval of said recommendations by the Administrator.

# Retailers to Get Code Blue Eagles

William A. Hollingsworth, chairman of the National Code Authority for the Retail Tobacco Trade, made the following announcement on the distribution of Code insignia (Blue Eagle):

The retail tobacco Code Authority will commence distribution of the Blue Eagle to all retail tobacco establishments in compliance with all the provisions of the Code of Fair Competition for the Retail Tobacco Trade. Only "retail tobacco establishments" so qualified may apply for their Code insignia; that is, those whose business in tobacco products amounts to at least 50 per cent. of the gross volume of their total sales.

The privilege of displaying the Code Blue Eagle will be extended only to those retail tobacconists who are in strict compliance with all the merchandising and labor provisions of the Retail Tobacco Code. Members of the trade so qualified may apply for their Blue Eagle by writing in to the National Code Authority, 1148 Woolworth Building, New York City, stating clearly their address, city and State, or by filling out and mailing the regular N. R. A. application form for the Blue Eagle.

Those operating more than one tobacco establishment are entitled to receive one Code insignia for each store. All insignia will be marked with serial numbers and every retail tobacco establishment will be registered under a different number. Those who receive copies of the Blue Eagle in response to their application for same are requested to fill out the self-addressed card attached to each emblem and to return same promptly to our office.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

NO IMMEDIATE action is in prospect with respect to applications for relief from imports, filed under Section 3 (e) of the Industrial Recovery Act by manufacturers operating under codes, whose increased costs have made it possible for foreign competitors to enter the domestic market heavily. A number of complaints are pending before the National Recovery Administration, including one from the cigar industry, directed against Philippine cigars.

Preoccupied with the negotiation of reciprocal trade agreements with a number of countries, the Government is moving but slowly with respect to complaints against imports, apparently intending to delay them until the new treaties have been consummated and it can be learned whether they make any change in the situation.

While this does not, of course, apply to the Philippine Islands, it is likely that little time will be available in the near future for consideration of the cigar industry's complaint. No action is expected in Washington until after the beginning of next year, at the earliest.

NEW THEORIES for adjusting the international trade situation, involving abandonment as soon as possible of the reciprocal trade plan and substitution therefor of a highly flexible tariff, have been laid before the administration for consideration, it has been learned. The theory contemplates the increasing of imports sufficiently to balance the international account without heavy gold shipments or loans abroad, by the removal or reduction of tariffs in all cases in which no additional unemployment would result.

Commodities on which tariff action of this nature would be taken include non-competitive products, those on which rates are ineffective, those on which tariffs are imposed for revenue purposes only, those which are imported to supply the bulk of the domestic demand and goods requiring types of craftsmanship not developed here.

If such reductions do not prove adequate to encourage importations to the degree desired, proponents of the plan would lower the rates on other commodities, safeguarding against excessive unemployment by limiting the volume to be admitted, and would have the Government undertake the payment of a "dismissal wage" to labor which might be thrown out of work as a result of tariff reductions. It is contended that such labor would not be long unemployed but would quickly be absorbed by other industries.

Going still further, proponents of the plan would have all tariff rate adjustment turned over to the Tariff Commission, whose orders fixing import duties would be subject only to the approval of Congress.

Reciprocal trade agreements, it is held, should be employed only on condition that they be used to increase world trade rather than divert it to this country from other nations.

As a further means of accomplishing stabilization, it is proposed that the war debts be immediately settled through a lump-sum payment made by transfer to this country of American securities held abroad, to be procured by debtor governments from their nationals in exchange for their own issues. It is suggested that the amount of settlement would be in the neighborhood of 20 per cent. of the face value of the debts.

POSSIBILITIES of further devaluation of the dollar are seen in Washington in the recent expression by President Roosevelt of his views on prices. Although holding the belief that some prices have responded to the revivifying influence of the recovery program, the President revealed that higher prices generally are felt by the administration to be desirable, but that it was not his aim to fix the level of any particular year as a desideratum. Rather, it is believed, the price level should be a composite of those of several years, possibly ranging from 1924 to 1928, representing the most favorable position of the various major products.

The President's explanation is seen as a sudden reversal of Government policy, following as it did close upon the heels of an address by Donald R. Richberg, secretary of the Executive Council, in which he intimated that prices already were too high.

While the President did not make it clear what steps he might have in mind to bring about an advance in the price level, it was indicated that the quickest way to do so would be by further devaluation of the dollar, possibly close to the limit of 50 cents fixed by Congress.

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. .....President
JULIUS LICHTENSTEIN, New York, N. Y. .....Vice-President
WILLIAM BEST, New York, N. Y. .....Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. .....Vice-President
GEORGE H. HUMMELL, New York, N. Y. .....Vice-President
H. H. SHELTON, Washington, D. C. .....Vice-President
WILLIAM T. REED, Richmond, Va. .....Vice-President
HARVEY L. HIRST, Philadelphia, Pa. .....Vice-President
ASA LEMLEIN, New York, N. Y. .....Treasurer
CHARLES DUSHKIND, New York, N. Y. .....Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

WILLIAM A. HOLLINGSWORTH, 233 Broadway New York, N. Y. ....President
CLIFFORD N. DAWSON, Buffalo, N. Y. .....Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. .....Treasurer

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City .....President
MILTON RANCK, Lancaster, Pa. .....First Vice-President
D. EMIL KLEIN, New York City .....Second Vice-President
LEE SAMUELS, New York City .....Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

ABE BROWN, 180 Grumman Ave., Newark, N. J. .....President
ALBERT FREEMAN, New York, N. Y. .....First Vice-President
IRVEN M. MOSS, Trenton, N. J. .....Second Vice-President
A. STERNBERG, Newark, N. J. .....Secretary

RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

MORRIS LEVITONE .....President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. .....Secretary

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

E. ASBURY DAVIS, Baltimore, Md. .....President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. .....Secretary
GEO. B. SCRAMBLING, Cleveland, Ohio .....Treasurer

UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN .....President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. .....Secretary

## WHOLESALERS' BUDGET APPROVED

The National Industrial Recovery Board has approved a budget of $410,150 for the wholesale tobacco trade to cover a period from June 9, 1934, to June 15, 1935.

The following conditions are imposed: (A) $30,000 to cover the Code Authority's proportionate share of the expenses of the National Tobacco Council, Inc., is allowed only if the council submit its budget for approval; (B) the item of $15,000 to cover traveling expenses for the Code Authority, be reduced to $10,000; (C) regional Code Authority budgets be itemized, and (D) that the Code Authority submit quarterly and annual reports of expenditures certified to by a public accountant.

Members of the industry will contribute one-tenth of one per cent. on gross sales of cigars, and one-twentieth of one per cent. on gross sales of cigarettes, tobacco and plug tobacco.

## BAYUK EARNINGS ON UPWARD TREND

Bayuk Cigars, Inc.—Reports for the quarter ended September 30th net profit of $307,522 after depreciation, Federal taxes, etc., equal after dividend requirements on the 7 per cent. preferred stock to $2.78 a share on 94,485 shares of no par common stock outstanding at the end of the quarter. This compares with $311,730, or $2.81 a share on 94,536 common shares in the previous quarter and $170,346, or $1.33 a share on 90,851 common shares in the September quarter of 1933. For nine months net profit was $734,013 after charges and taxes, equal to $6.31 a share on 94,485 shares of common, compared with $519,062, or $4.04 a share on 90,851 common shares in the first nine months of 1933.

## CIGARMAKERS GET INCREASE IN YORK CO.

The Labor Relations Board on Saturday awarded a 25 cents per thousand increase in pay to York County, Pa., cigarmakers for five-cent cigars.

The board decided that the rate for three-for-ten cigars should remain unchanged.

The new basic rate is to be $6.45 per thousand. The rate for three-for-ten's is to remain at $5.50. The York County Cigar Manufacturers' Association and the Cigarmakers' Union submitted the issue to the board for arbitration, and agreed to accept its findings. The board rendered its decision in the light of a study made by the Bureau of Labor Statistics.

## JOBBERS AND SUB-JOBBERS, ATTENTION

(*Continued from Page 3*)

reports you will receive acknowledgment of such recording which will act as a notification to you of the effectiveness, at the time stated in said acknowledgment, of your discounts and credit terms as recorded, and that in accordance with the Code of Fair Competition you must strictly observe and adhere to the discounts and terms so recorded.

In no event, however, will any action of the council in accepting or recording your reports or in sending such acknowledgment be deemed to indicate that your reported discounts are in compliance with the Cigar Merchandising Plan although the council reserves the right to advise you, if possible, of any errors in your report or any departure in your discounts from those which are permissible.

# Cigars Still Up 102 Millions in 9 Months

| | 1st 9 Mos. Cal. Yr. 1934 | —Decrease +Increase | Quantity |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| United States ... | 2,873,992,365 | + | 76,814,825 |
| Puerto Rico ..... | 42,019,620 | + | 2,593,975 |
| Philippine Is. ... | 145,309,835 | + | 25,744,260 |
| Total ..... | 3,061,321,820 | + | 105,153,060 |
| Class B— | | | |
| United States ... | 34,141,796 | + | 14,129,143 |
| Puerto Rico ..... | 1,267,200 | — | 1,012,350 |
| Philippine Is. ... | 329,501 | + | 181,301 |
| Total ..... | 35,738,497 | + | 13,298,094 |
| Class C— | | | |
| United States ... | 381,902,012 | — | 11,392,238 |
| Puerto Rico ..... | 529,200 | + | 59,920 |
| Philippine Is. ... | 111,368 | — | 43,448 |
| Total ..... | 382,542,580 | — | 11,375,766 |
| Class D— | | | |
| United States ... | 26,825,094 | — | 4,156,423 |
| Puerto Rico ..... | 1,500 | + | 1,000 |
| Philippine Is. ... | 1,250 | — | 126 |
| Total ..... | 26,827,844 | — | 4,155,549 |
| Class E— | | | |
| United States ... | 2,151,974 | — | 645,145 |
| Puerto Rico ..... | ..... | | ..... |
| Philippine Is. ... | 765 | — | 157 |
| Total ..... | 2,152,739 | — | 645,302 |
| Total All Classes: | | | |
| United States ... | 3,319,013,241 | + | 74,750,162 |
| Puerto Rico ..... | 43,817,520 | + | 1,642,545 |
| Philippine Is. ... | 145,752,719 | + | 25,881,830 |
| Grand Total . | 3,508,583,480 | + | 102,274,537 |
| Little Cigars: | | | |
| United States ... | 175,522,240 | + | 13,152,987 |
| Puerto Rico ..... | 1,791,000 | — | 833,000 |
| Philippine Is. ... | 7,800 | + | 7,800 |
| Total ..... | 177,321,040 | + | 12,327,787 |
| Cigarettes: | | | |
| United States ... | 95,956,286,986 | + | 8,003,915,956 |
| Puerto Rico ..... | 3,114,450 | + | 238,850 |
| Philippine Is. ... | 1,529,420 | + | 505,500 |
| Total ..... | 95,960,930,856 | + | 8,004,660,306 |
| Large Cigarettes: | | | |
| United States ... | 87,469,285 | + | 85,557,150 |
| Puerto Rico ..... | 426,000 | — | 239,000 |
| Philippine Is. ... | 200 | — | 4,737 |
| Total ..... | 87,895,485 | + | 85,313,413 |
| Snuff (lbs.): | | | |
| All U. S. ..... | 28,320,163 | + | 786,966 |
| Tobacco mfd. (lbs:): | | | |
| United States ... | 234,963,250 | — | 1,092,764 |
| Philippine Is. ... | 23 | — | 146 |
| Total ..... | 234,963,273 | — | 1,092,910 |


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P. O.....State.....

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CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

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The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance

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CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

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I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

### FOR RENT

30,000 SQUARE FEET DAY-LIGHTED FLOOR SPACE IN A 3-story and concreted basement building adjacent to P. R. R. freight station in York, Pa. Building of sufficient strength to accommodate at least 50 cigar-making machines per floor. See A. Kauffman & Bro., York, Pa., for inspection and details.

### HAVANA CIGARS

BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.

## Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

**COLWOOD:—46,374.** For all tobacco products. Consolidated Litho. Corp., Brooklyn, N. Y., October 6, 1934.

**DAVID BREWSTER:—46,375.** For cigars. The Tarr Co., Chicago, Ill., October 10, 1934.

**SIR ATTERON:—46,378.** For cigars. Cuesta, Rey & Co., Tampa, Fla., October 12, 1934.

**K-O-Y:—46,380.** For all tobacco products. Yocum Bros., Reading, Pa., September 27, 1934.

### TRANSFERS

**NEMO:—660** (U. S. Tobacco Journal). For cigars. Registered September 4, 1883, by Winhold & McAuley, Albany, N. Y. Through mesne transfers acquired by Dearstyne Bros. Tobacco Co., Albany, N. Y., and re-transferred to E. Popper & Co., Inc., New York, N. Y., October 9, 1934.

**BESSIE McCOY:—16,583** (Tobacco World). For cigars, cigarettes, cheroots, chewing and smoking tobacco. Registered November 7, 1908, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., who had taken over the cigar label department of the original registrant, to Nat Sherman, New York, N. Y., October 10, 1934.

**THOMAS MAY PIERCE:—23,970** (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered February 23, 1912, by Pen. Cigar Mfg. Co., Philadelphia, Pa. Through mesne transfers acquired by Wm. W. Muehlhauser, Quakertown, Pa., and re-transferred (for cigars only) to Benjamin Shils, Philadelphia, Pa., October 5, 1934.

**DESCHLER MONOGRAM:—46,379.** For cigars. Registered October 9, 1934, by Kiefer-Stewart Co., Indianapolis, Ind. (This certificate is issued upon presentation made to us that the trade name or trade-mark herein specified, though not heretofore registered in any of our Affiliated Bureaus, has been in use by The Louis G. Deschler Co., an Indiana corporation, for many years, and that the business and good will, together with the trade-mark herein mentioned, have been acquired by the Kiefer-Stewart Co., Indianapolis, Ind.)

**LA MODE:—5550** (U. S. Tobacco Journal). For cigars. Registered February 4, 1886, by Kohn Bros. & Co., New York, N. Y. Through mesne transfers acquired by the American Box Supply Co., Detroit, Mich., and re-transferred to Yocum Brothers, Reading, Pa., November 29, 1924.

**SIR DAVID:—41,287** (Tobacco Merchants Association). For cigars, cigarettes, etc. Registered August 23, 1919, by Pasbach Voice Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the registrants, to Bobrow Bros., Philadelphia, Pa., October 22, 1934.

**CLUB CAR:—17,561** (Tobacco World). For cigars, cigarettes, cheroots, chewing and smoking tobacco. Registered March 31, 1909, by the American Litho. Co., New York, N. Y. Transferred by the Consolidated Litho. Corp., Brooklyn, N. Y., successors to the cigar label department of the registrant, to the Federal Cigar Co., Red Lion, Pa., October 24, 1934.

**PRINCESS MARION:—46,383.** For cigars. Registered May 18, 1934, by Edward G. Davis and Barny Beachkofsky, Chicago, Ill. (This certificate is issued upon presentation made to us that the trade-mark or trade name herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus, has been in use for many years by Henry E. Ackerburg, Chicago, Ill., and transferred to Edward G. Davis and Barney Beachkofsky, Chicago, Ill., March 17, 1934.)

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NOVEMBER 15, 1934

VOLUME 54 No. 22

# THE TOBACCO WORLD

COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

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After all
nothing satisfies like
a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

# THE TOBACCO WORLD

Vol 54 NOVEMBER 15, 1934 No. 22

IT was not to be expected that the merchandising provisions of the cigar code, establishing fixed prices below which cigars could not legally be sold, would become operative without protest. Efforts were made to prevent the approval of these provisions, which did not become effective until months after the remainder of the Code went into effect. They were finally approved and became law on October 29. Four days later, on November 2, these merchandising provisions were attacked in the United States District Court in Philadelphia. The action took the form of a direct attack on the constitutionality of N. R. A.

Two companies described as drug chains, The Nevins Drug Store Co., and the Sun Ray Drug Co., filed suit against twenty-three defendants, including Donald G. Richberg, head of N. R. A., United States Attorney General Homer C. Cummings, and United States Attorney Charles D. McAvoy, of the Philadelphia District, and the members of the Code Authorities of the tobacco industry in both Philadelphia and the State of Pennsylvania.

THE contention is that Congress has no authority to delegate to the President the powers allowed in N. R. A. legislation, and, further, if that delegation of authority could be justified as lawful, it could not be passed on to others, and further, that the Chief Executive and N. R. A. officials exceeded all legal authority in imposing codes on industry. The purpose of the suit is to eliminate the cigar merchandising plan, on the principle that these provisions grant a monopoly to cigar manufacturers, and that the public will suffer by being subjected to a rise in the prices of cigars.

THE plaintiffs ask that N. R. A. authorities be enjoined from instituting criminal proceedings against them until the Court decides on the legality of the plan, which, they claim, bestows upon the cigar manufacturer unlimited powers in the fixing of retail prices, thus depriving cut-rate stores of the privilege of passing on to customers the savings which they are able to make as a result of large volume purchases. As is well known in the trade, the retail and wholesale prices are set by the manufacturers, under the provisions of the Code. There is a uniform wholesale price and a uniform retail price for each brand of cigars.

It is the complaint of the plaintiffs that the maintenance of this system means the destruction of their business, which is based on low prices, resulting from their volume buying.

Retail cigar merchants are the people most vitally interested in this case. It was they, and not the cigar manufacturers, who not only initiated the movement for fixed prices for cigars, cigarettes and other tobacco products, but never let up in their fight until these established fixed prices became an integral part of the code of fair practice. So, while the suit is, on its face, an attack against the constitutionality of N. R. A., it is, in actuality, an attack on the business of retail cigar merchants.

THERE is nothing to be surprised at, however, in the fact that such a suit has been brought. There is an essential difference between the business of a retail cigar merchant and the business of the two chain stores. The essence of the chain store's business is price-cutting. It is built entirely on the ability, and willingness, to sell at a price lower than the established price of the product. While the two concerns are described as drug chains, the fact is that their business is not confined to drugs or tobacco products, but is spread among a large number of products not of large bulk, whose prices are fairly well established in stores selling those products, but which the chain sells below those prices.

AS the plaintiffs claim, the whole reason for their existence as cigar merchants vanishes with the establishment of fixed prices for cigars. If there should be a similar price-fixing system for drugs and the other products which they handle, then the foundation of their whole business would crumble. Because their business is essentially the price-cutting business.

BUT it would be folly to charge this dissolution of their business to the manufacturers. The retailers would be the ones most interested in bringing this about, just as they were primarily responsible for the price-regulation of tobacco products. And the retailers would be the only ones to profit from such a universal establishment of selling prices, as they are the only ones now benefitting from the operation of the merchandising provisions of the cigar code.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 230 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Harry Buckley Passes

HARRY W. BUCKLEY, President of the Autokraft Box Corporation, President of the National Cigar Box Manufacturers Association, and member of the Cigar Container Code Authority, died as a result of third degree burns in the City Hospital, in East Liverpool, Ohio, shortly after 9 P. M. on Thursday, November 8th. The accident occurred about 11 A. M. that day.

Mr. Buckley, accompanied by W. D. Rosenberger, of Chicago, Ill., a member of the Executive Committee of the Autokraft Corporation, left Lima on Thursday morning to visit the corporation's plants in Wheeling, W. Va., and Philadelphia, and also the corporation's Eastern offices in Hellam, Pa.

Several miles outside of East Liverpool, while climbing a steep grade, the car skidded on a sharp curve, struck a guard post which punctured the gas tank, careened across the road into a ditch and immediately burst into flames. Mr. Buckley was driving.

Mr. Rosenberger was first out of the car, and called for help to rescue Mr. Buckley. A passing motorist came to his assistance and Mr. Buckley was dragged from the car. A truck came by and Mr. Buckley and Mr. Rosenberger were taken to the City Hospital in East Liverpool, O.

Mr. Buckley suffered third degree burns, while Mr. Rosenberger escaped with first degree burns of the face (blisters) and second and third degree burns of the hands which will necessitate skin-grafting.

Services for Mr. Buckley were in Lima, O., on Saturday, November 10th with interment in Woodlawn Cemetery.

A special car attached to the Manhattan Limited on Friday carried executives of the Autokraft Box Corporation and the National Cigar Box Manufacturers Association, as well as members of the Cigar Container Code Authority, to Lima.

Mr. Buckley was born in Leipsic, O., May 11, 1880. He served in the United States Army in the Medical Corps and for some time was stationed in Alaska.

Later he became a pharmacist, and by one of those turns of Fate became interested in the cigar box business through a meeting with Henry G. Ritter, of the Ritter Cigar Box Company now of Detroit, Mich., but then of Minster, O. A partnership was entered into and the cigar box business was finally moved to Detroit.

After a few years this partnership was dissolved and Mr. Buckley entered the cigar box business in Deshler, O.

In 1920 when the National Cigar Box Manufacturers Association was formed, Mr. Buckley was elected president and continued in this office until his untimely death.

During this period, in the face of a declining customer industry, he found it advisable to consolidate his business with that of the Globe Box Company in Lima, O., and moved with his family to that city.

In January, 1930, a merger of cigar box plants throughout the country took place and the Autokraft Box Corporation was formed, with a capital of $2,000,000. Mr. Buckley was elected president of this organization, and was retained in this office until his passing.

**HARRY W. BUCKLEY**

**Born May 11, 1880; Died November 8, 1934.**

Mr. Buckley at one time was also president of the Western Cigar Box Manufacturers Association, the existence of which dates back to 1899, the oldest trade association in the cigar container field.

In December, 1933, when the Code of Fair Competition for the Cigar Container Industry had been approved, and the members of the Cigar Container Code Authority were elected, the Western Cigar Box Manufacturers Association nominated and elected Mr. Buckley to the Code Authority as their representative.

In addition to his widow, Mr. Buckley is survived by a son Harry William Buckley, Jr., a senior at Ohio State University at Columbus, O.

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## McDONNELL TO RUN OWN STORE

J. McDonnell, who has been associated with the old established firm of Yahn & McDonnell, distributors of high grade cigars and tobacco products and accessories, will open his own cigar store at the northeast corner of Fifteenth and Chestnut Streets, about December 10th, under the firm name of the McDonnell Company. Mr. McDonnell will feature a full line of only high grade cigars, tobacco products, pipes and accessories.



# Tobacco Outlook for 1935

THE OUTLOOK for most types of tobacco is for reduced stocks a year hence and for further improvement in the supply situation provided production in 1935 is held in line with requirements. Domestic consumption of several tobacco products has shown improvement during the past year and exchange rates are favorable to the exportation of American tobacco. Exports to October, 1934, continued to be small, though exceeding the exports for the same months in 1933. In spite of the improvement that has occurred supplies of several types of tobacco continue to be large when compared to the present rate of consumption. This is especially true for burley, the production of which has not been reduced enough to result in a materially reduced carry-over by October, 1935.

The total tobacco acreage grown in the United States in 1934 was estimated at 1,364,500 acres, a very large percentage of which was under contract with the Agricultural Adjustment Administration. The contracts provided for different rates of reduction for the several kinds of tobacco, averaging around 30 per cent. The 1934 acreage was the smallest total acreage in the United States since 1921 and the second smallest since 1914. Preliminary estimates in 1934 indicate yields above average for most types of tobacco, as a result of favorable weather conditions. The average yield for all types combined was estimated at 800 pounds per acre, which is higher than any yield for the last eleven years. For some types, notably burley and fire-cured, the 1934 production of contracting growers is reported to be materially in excess of the quantity allotted to be sold under the contracts. The extent to which this excess production is marketed will influence the size of the carry-over of these types into the next marketing season.

Consumption of tobacco products was reduced during the depression; cigarette and cigar consumption decreased materially; pipe smoking and the use of hand-rolled cigarettes increased; snuff consumption decreased; and chewing continued to decline as it has done for many years. During the last year, there was an increase in the consumption of all classes of tobacco products, the principal increase being in cigarettes and cigars.

On the other hand, American tobaccos are continuing to meet with increased competition in foreign markets. A large quantity of tobacco formerly purchased from the United States has been replaced by competing foreign types. The production of tobacco in seven countries, which before the World War took approximately 45 per cent. of the leaf tobacco exported from the United States, increased from an average of 250,000,000 pounds for the three years 1918-1920 to 451,000,000 pounds for the three years 1930-1932. This expansion resulted largely from high foreign tariffs, policies of government tobacco monopolies in foreign countries, and unfavorable exchange rates.

From 1919 to 1929 nearly 45 per cent. of the production of tobacco in the United States was exported. During the twelve months ended September 30, 1930, exports totaled 688,000,000 pounds (farm sales weight) from which level exports dropped successively to 640,000,000 pounds for the crop year 1930-1931, 480,000,000 pounds for 1931-1932, and 437,000,000 pounds for the twelve months ended September 30, 1933. Exports in the latter years, however, were materially affected by the unusually short crop of 1932. During the twelve months to September, 1934, following the large crop of 1933, exports amounted to only 500,000,000 pounds, equivalent to 30 per cent. of the total 1933 production.

The tendency toward self-sufficiency on the part of many countries and the high prices now prevailing in the United States for some types of tobacco, may further encourage the production and consumption of competing foreign types. However, if the improvement which took place last year in exchange rates is maintained during 1935, it may partially offset some of these influences.

With a very large percentage of the tobacco acreage of the United States under contract with the Agricultural Adjustment Administration for 1934 and 1935, it is evident that the policy of the administration, together with any extension or modification of the Tobacco Control Act, must be considered as a principal factor in determining acreage and production in 1935. In the past substantially improved prices for tobacco have usually caused large increases in production and lower prices the following year. Except for the control measures to be applied to tobacco in 1935, plantings of most types would probably be greatly increased. Notwithstanding the progress made in the liquidation of surplus tobacco stocks in 1934, a general expansion of production does not appear justified in 1935.

### FLUE-CURED TOBACCO—TYPES 11, 12, 13 AND 14

The flue-cured tobacco situation shows considerable improvement compared with a year ago. A moderate increase in acreage seems justified in 1935 in order to obtain a production equal to consumption, thus maintaining a total supply for the 1935-1936 marketing year similar to that available for this season.

With July 1st stocks in the United States estimated at 770,000,000 pounds (farm sales weight), and foreign stocks of United States flue-cured tobacco estimated at 580,000,000 pounds, the total carry-over into the present marketing season amounted to about 1,350,000,000 pounds. Carry-over, combined with the October 1st estimates of the 1934 production of 545,000,000 pounds, makes the total supply of United States flue-cured tobacco for the current season 1,895,000,000 pounds, which is 4.5 per cent. below the supply a year earlier and 10 per cent. below the average of the last five years. World carry-over, July 1, 1934, was approximately 105,000,000 pounds larger than a year earlier as a result of the large crop of 1933. This increase of carry-over was more than offset, however, by the reduction in the 1934 crop.

World consumption of United States flue-cured tobacco during the year ended June 30, 1934, showed little change from that of the preceding year, being estimated at 633,000,000 pounds, which was about 8 per cent. below the average for the past five years. Domestic consumption, which consists of about two-fifths of this total, increased nearly 5 per cent. during the year, because of the increase in the use of cigarettes, but foreign consumption declined slightly. About 30 per cent. of the total world consumption of flue-cured tobacco is used in cigarettes in the United States. Cigarette consumption during 1934-1935 is expected to show some further increase, but the consumption of other manu-

*(Continued on Page 16)*

# PHILADELPHIA.

### STUDENTS SEE PHILLIES MADE

A GROUP of twenty Penn State students went through the Bayuk plant recently and watched with studious interest the manufacture of Bayuk Phillies through all the stages from the arrival of the leaf to the shipment of the completed cigars. Aside from the manifold cigar manufacturing operations, the young men seemed more than ordinarily interested in the new machine for wrapping packages by a triple combination process, visions of the Christmas holidays being aroused by the large number of Yuletide wrappings . . . The Philadelphia Foremen's Club, which meets regularly at the Germantown Y. M. C. A., also made the Bayuk tour of inspection recently . . . E. G. Foden, Portland, Me., is building a nice business on Phillies, as is evidenced by regular shipments . . . H. D. Soyster, Johnstown, Pa., territorial manager, was a recent visitor at headquarters, arranging for additional shipments to his territory for the remainder of the year . . . The American Confectionery Co., Norwich, Conn., is making nice strides in the sales of Phillies and recently closed a successful drive on the brand, having been assisted by C. E. Miller, Bayuk salesman . . . Harry Kenyon, Wilmington, Del., is doing a good job in placing Phillies over his territory and keeping after the factory to maintain the stiff shipping schedule he has set . . .

### TRY TO CATCH THEM

HARRY RICE, of the N. Rice Cigar Co., Pittsburgh, was a recent visitor to G. H. P. headquarters at Third and Brown Streets, and was enthusiastically optimistic over the outlook for El Producto and La Azora in the Smoky City territory. The cigar business generally is improving, he said, and he was proud to report a wholehearted acceptance of the merchandising provisions of the code there . . . Two of the most active and energetic travelers in the promotion of the cigar business as a whole are Frank P. Will, executive vice-president, and D. A. Jenks, assistant sales manager. If you call at the home of El Producto without telephoning in advance, the chances are very great that you will be greeted with the news that either or both of them are somewhere out in the territory engaged in their never-ending work of promotion of the business as a whole, and of G. H. P. sales specifically.

## Trade Notes

C. W. Saunders, of the Cortez Cigar Co., was in town this week visiting the trade.

Steve Hertz, of the D. Emil Klein Co., manufacturers of the well-known Haddon Hall brand, was a visitor at local distributors this week.

John Wagner & Sons, Dock Street, distributors of the Don Sebastian clear Havana cigar, report business on this brand showing splendid activity and registering a steady increase from month to month.

Henry Voice, of the Consolidated Lithographic Company, was in town recently visiting the trade and reported business with his firm going along at a fine steady pace.

The New Day plan of servicing cigar stands in selected locations throughout the city which was inaugurated by Yahn & McDonnell a few weeks ago is proving very popular with the trade and a number of additional placements of this type of service have been made.

John Wagner & Sons Monticello and Wagner brands of smoking tobaccos are showing plenty of activity during the fall months and registering substantial increases over the same period of last year, with the Wagner and Monticello brands of cigars keeping pace.

The Royalist factory, North Second Street, is busy meeting the demand for their brand since the introduction of the punctured head, which is now featured on all sizes of that brand, and also in meeting the demand for their Amerada brand, retailing at five cents. The Amerada brand has recently been introduced to Philadelphia consumers with good results, after having been marketed in other areas for some weeks.

WHEN DETAILS ARE WEARING . . .
GET A LIFT WITH A CAMEL!
● On this page are submitted the latest reports received from Camel smokers...real experiences of real people. Miss Eve Miller has an exacting job as a New York department-store executive. She appreciates the value of keeping her energy up to par. She says: "I started to smoke Camels because I appreciate mildness and delicacy of flavor. I found, too, that Camels give me a 'lift' when my energy is low—and Camels never upset my nerves."
LEAF-TOBACCO EXPERTS AGREE:
"Camels are made from finer, More Expensive Tobaccos—Turkish and Domestic—than any other popular brand."
CAMEL
PRE-MEDICAL STUDENT. Charles Stephens, Jr., says: "When I am 'done in,' a Camel erases that tired feeling. And Camels are a milder cigarette!"
CHAMPION GOLFER. Miss Helen Hicks says: "I can always restore my energy with a Camel. And I can smoke Camels constantly without jangled nerves."
You are invited to Tune In on the New
CAMEL CARAVAN
with
WALTER O'KEEFE • TED HUSING
ANNETTE HANSHAW
GLEN GRAY'S CASA LOMA ORCHESTRA
TUESDAY
10:00 P.M. E.S.T. 8:00 P.M. M.S.T.
9:00 P.M. C.S.T. 7:00 P.M. P.S.T.
THURSDAY
9:00 P.M. E.S.T. 9:30 P.M. M.S.T.
8:00 P.M. C.S.T. 8:30 P.M. P.S.T.
Over Coast-to-Coast—WABC-Columbia Network
TRANSPORT PILOT. "When I notice that 'all in' feeling coming on, I light up a Camel," reports Maurice Marrs. "And the tiredness is quickly relieved."
CAMEL'S COSTLIER TOBACCOS NEVER GET ON YOUR NERVES!
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# A Dozen Cigar Code Questions

## Code Authority Gives Answers to Dispel Doubts of Manufacturers

A SERIES of questions and answers pertaining to the code for the cigar manufacturing industry has been prepared by the national code authority in order to clear up many points concerning which many manufacturers appear to be in doubt.

1. *Question:* Do all cigar manufacturers come under the Code of Fair Competition for the Cigar Manufacturing Industry?

*Answer:* Yes. Every cigar manufacturer from the largest to the smallest is under the Code.

2. *Question:* Is a cigar manufacturer under the Code even though he does not sign the Code?

*Answer:* Yes. Under the terms of the National Industrial Recovery Act (a Federal law), everyone is required to abide by the provisions of the approved Code for his industry. The Code for Cigar Manufacturers was approved by the President on June 19, 1934.

3. *Question:* Are all of the provisions of the Code now in effect?

*Answer:* Yes, including the Cigar Merchandising Plan (Article VI of the Code) and the Amendment to the Code (New Article XIII), requiring everyone to place Code Authority stamps on the boxes or containers of the cigars he makes.

4. *Question:* Do the Labor Provisions of the Code apply to a manufacturer who makes *all* of the cigars himself and *employs no workers?*

*Answer:* If a manufacturer makes *all* of the cigars himself and employs *no* workers, he is *not* required to obey the Hour, Wage and General Labor Provisions of the Code. If you are such a manufacturer, take a pencil and cross out all of the words under Article III (Hours provisions), Article IV (Wages provisions), and Article V (General Labor provisions) of the Code, as these provisions do not apply to your business.

5. *Question:* Must a manufacturer who employs one or more workers obey the Hour, Wage and General Labor Provisions of the Code?

*Answer:* Yes. If you employ any workers, read the Hour, Wage and General Labor provisions of the Code carefully, as the provisions apply to your business. Also study the Hour and Wage Schedule dated August 10, 1934, and read Letter No. 3, dated August 16, 1934.

### Direct to Consumer

6. *Question:* What part of the Code applies to the manufacturer who sells *all* of his cigars direct to the consumer (smoker)?

*Answer:* If a manufacturer sells *all* of his cigars direct to the consumer (smoker), he is not required to obey that part of the Code known as the Cigar Merchandising Plan (Article VI of the Code). However, if you sell *any* of your cigars to retailers or jobbers, *all* of your cigars are subject to the Merchandising Plan. If you sell *all* of your cigars direct to the consumer, take a pencil and cross out Article VI (The Cigar Merchandising Plan) and Schedule I (also the Cigar Merchandising Plan) of the Code, as the plan does not apply to your business. Bear in mind, however, that the Cigar Merchandising Plan is only one part of the Code.

7. *Question:* What part of the Code applies to the manufacturer who employs *no* workers and sells *all* of his cigars direct to the consumer?

*Answer:* Cross out Articles III, IV, V and VI and Schedule I. The rest of the Code applies to you, *including New Article XIII which requires you to buy Code Authority Stamps.*

### Purchase of Stamps

8. *Question:* Is every cigar manufacturer required to buy the stamps issued by the Code Authority?

*Answer:* Yes. Every manufacturer is required, under the approved label amendment (New Article XIII), to buy stamps and attach them to the boxes or containers of the cigars which he sells. This part of the Code applies to all cigar manufacturers, including those who employ *no* workers and those who sell *all* of their cigars to the consumer (smoker).

9. *Question:* After what date are manufacturers required to place the Code Authority stamps on the boxes or containers of the cigars they sell?

*Answer:* Every manufacturer is required to place the Code Authority stamps on the boxes or containers of cigars shipped from his factory on and after October 1, 1934.

10. *Question:* What does a manufacturer do to get stamps?

*Answer:* He signs the Certificate of Compliance and fills in and signs Form A, the back of which is just like the order for Internal Revenue Stamps. Applications for stamps (Form A), unless sent in with a signed Certificate of Compliance, and with cash, money order, or certified check for the amount of the order, will not be filled. Unsigned applications for stamps will not be filled.

11. *Question:* May a cigar manufacturer buy less than a dollar's worth of stamps at one time?

*Answer:* No. Orders for less than one dollar will not be filled. If a dollar's worth of stamps last more than one month, a manufacturer may continue to use them as long as they last, and when they are gone he may order more. However, so long as the total order amounts to $1.00 or more, a manufacturer may buy less than a dollar's worth of each denomination of stamps. For example, he may buy 20 Class AA stamps for 50's, and 10 Class B stamps for 25's, etc.—but his total order must not be less than $1.00.

### Information Report

12. *Question:* What does a manufacturer do with the Cigar Manufacturers Information Report (pink Form B)?

*Answer:* A manufacturer who needs more than $6.00 worth of stamps a year, must fill in and file, every month, this report, which shows his production and use of stamps during the month before. If a manufacturer needs $6.00 worth of stamps or less a year, he must fill in and file this report only once a year, the first time between July 1 and 10, 1935, to cover the period from October 1, 1934, to June 30, 1935.




*the Wellman Process does this—*

**..it makes the tobacco milder**

**In the manufacture of Granger Rough Cut Pipe Tobacco the Wellman Process is used.**

**The Wellman Process is different from any other process or method and we believe it gives more enjoyment to pipe smokers.**

*... it gives the tobacco an extra flavor and aroma*

*... it makes the tobacco act right in a pipe — burn slower and smoke cooler*

*... it makes the tobacco milder*

*... it leaves a clean dry ash —no soggy residue or heel in the pipe bowl*

LIGGETT & MYERS TOBACCO CO.

*... in a common-sense package—10c*

*We wish in some way we could get every man who smokes a pipe to just try Granger*

© 1934, LIGGETT & MYERS TOBACCO CO.

# Urge Reduction of Processing Taxes

## Industry Leaders Argue in Favor of Government's Holding Tax Down

TESTIMONY in favor of a reduction in the processing taxes on Burley, flue cured, fire cured and dark air cured tobacco used in the manufacture of plug chewing, twist chewing, and other chewing tobacco was presented November 9, at a public hearing presided over by J. L. Peirce and Robert B. Tyler, of the Agricultural Adjustment Administration. The hearing was called by Secretary of Agriculture, Henry A. Wallace, who said in the final hearing notice that he had "reasons to believe" that the rate of processing taxes on the several types of tobacco used for the purposes mentioned "will cause such reductions" in domestic consumption of the tobacco types or their products "as to result in an accumulation of surplus stocks" or in "the depression of farm price" thereof.

The notice further set forth that if the Secretary finds that such results will occur, then the rate of the processing tax on the several types of tobacco used in the manufacture of plug chewing, twist chewing, and other chewing tobacco "will be such as will prevent such accumulation of surplus and depression of the farm price thereof."

At the beginning of the hearing, presiding officer Peirce gave notice that hearings held on December 29, 1933, and May 24, 1934, on the processing taxes levied on tobacco used in the manufacture of plug chewing and twist chewing tobacco would be incorporated into and made a part of today's hearing.

J. E. Howard, of the Sparrow and Gravely Tobacco Company, Martinsville, Va., said his company had presented facts and figures at the previous hearing.

He also stated that unless the processing taxes are reduced the demand for his company's products will be lessened, as the firm will be forced to reduce the size of the product and possibly to increase its price. He suggested a processing tax of 1.5 cents a pound farm sales weight, on all types of tobacco used in the manufacture of plug and twist. He stated his business is composed of 90 per cent. plug and 10 per cent. twist, and that in his plug tobacco he uses only flue cured type.

H. B. Taylor, of Taylor Brothers, Winston-Salem, N. C., also asked that a uniform processing tax be levied on all grades used in the manufacture of chewing tobacco, "so the processing tax will not act as a tax differential subsidy for some manufacturers."

Taylor said if the tax reduction is granted, he hoped there would be no increase in price, but that if any increase is made necessary by higher operating costs and increased price for leaf tobacco it would be smaller with a tax reduction.

R. C. Owen, Jr., Gallatin, Tenn., twist manufacturer, said that his company would not be able to increase prices to farmers for leaf tobacco this season because the margin of profits is too small. If forced to pay higher leaf prices, Owen said, his firm would have to buy less tobacco and increase retail prices. He also favored a flat processing tax rate on all types used in the manufacture of chewing tobacco.

G. A. Puryear, of the Cumberland Tobacco Works, Nashville, Tenn, said his company had been able to assume the processing tax and increase their own costs without reducing the size of its products nor increasing prices. This was made possible, he said, because his company had on hand a large stock of 1931 tobacco which it had purchased at very low prices. Now, however, he said, his company will be forced to advance the price and possibly lower the size of its products unless the processing tax is reduced as the cheap tobacco has been sold. He suggested a tax of 1.5 cents a pound on the finished product.

J. B. O'Brien, of the Ryan-Hampton Tobacco Company, Louisville, Ky., testified he is expecting higher leaf prices this season and unless the processing tax is reduced he said his company will not be able to buy much leaf tobacco. He also favored the levying of the processing tax on the finished product, but recommended that it be at the rate of 1 cent a pound.

Walter Scotten, of the Scotten-Dillion Company, Detroit, Mich., testified in favor of a uniform processing tax on all tobacco used in the manufacture of chewing and twist tobacco.

Mr. Taylor, who previously had suggested a uniform rate of 1.5 cents a pound on leaf tobacco announced that he favored either this rate or a rate of 1 cent a pound on the finished product. Mr. Scotten testified that his company had used flue cured tobacco in the manufacture of granulated or "roll your own" tobacco, but said that the price of flue cured has gone up so high his firm decided to abandon manufacture of this product when processing of the flue cured stock now on hand has been completed. He said this action would be taken regardless of whether the processing tax is reduced.

When all testimony had been received, presiding officer Peirce announced that all interested persons would have five days in which to file briefs with the Chief Hearing Clerk of the Agricultural Adjustment Administration relating to the hearing.

The first question considered at the afternoon hearing was whether a processing tax imposed upon the processing of cigar leaf tobacco at the full statutory rate, which equals the present difference between the current average farm price for cigar leaf tobacco and the fair exchange value thereof, will cause such reduction in the quantity of cigar leaf tobacco, domestically consumed, as to result in the accumulation of surplus stocks of cigar leaf tobacco, or in the depression of the farm price of cigar leaf tobacco. The present difference between the current average farm price for cigar leaf tobacco and the fair exchange value is 4.7 cents a pound. The present processing tax is 3 cents a pound, unsweated farm sales weight.

Harvey L. Hirst, of Bayuk Cigars, Philadelphia, the Chairman of the Cigar Code Authority, was the afternoon's first witness. Mr. Hirst said that there was an excess of low grade cigar tobacco, but that many manufacturers of two for five-cent cigars were adversely affected by the processing tax.

*The Tobacco World*



Cigars are the most pleasurable and economical form of smoking.

# BAYUK BULLETIN

WE DO OUR PART

VOLUME II. NOVEMBER 15, 1934 NUMBER 21

## PHULOFAX
*(The Retailer's Friend)*
## SAYS

"Are salesmen interested or influenced by practical promotional suggestions written them by the home office?"

SALESMEN are but order takers are not.

—o—

The greatest asset a salesman has is the good-will of his customers and he builds good-will by following through with the precepts of the Golden Rule.

—o—

If there's any one thing that gets the nanny of a customer it is to spell his name wrong or to give him the wrong initials of his name. If we don't know the right initials or the correct spelling of a customer's name, it is not difficult to find out!

—o—

There's many an order comes thru the receiver of a telephone if the voice in the transmitter is properly on the job.

—o—

Sometimes a salesman is balled out by the Boss when the Boss might have done under similar circumstances just what the salesman did. (We salesmen gotta stick together!)

—o—

Be careful now, you jobbers—don't get your Christmas wrapped cigars mixed up with regular packings AND don't wait until the last moment to tip off your manufacturer that you need more Christmas wrapt cigars BECAUSE this is going to be a BIG CIGAR CHRISTMAS and don't forget either that Cigars are the most Pleasurable and Economical Form of Smoking. Here, have a fresh cigar!

—o—

"It's a smart man who knows how dumb he is and in his dumbness strives to be smarter" so writes in E. C. Mac——from Newark, N. J., which proves he is already smarter than he is dumber.

—o—

Mr. A. R. wants to know if he did right in this instance: "I have a dealer who won't buy anything that does not personally please his taste. I asked him what he'd do if he had a demand from his customers for laudanum. He got sore—wasn't I right"?

You're never right when you get YOUR CUSTOMER sore . . . What say you readers?

—o—

On the level now, when we say we can't FIND time to do this or to do that, don't we really mean we don't TAKE time to do this or that?

Phil M. Phulofax*
D. B. I.

*Associated with BAYUK CIGARS INC., Philadelphia—Makers of fine cigars since 1897*

*Miss R. M. Sellers—Cigar Merchant*

# CIGAR MERCHANTS ARE MADE—NOT BORN

### *The Story of a Self-Made Merchandiser*

It is said that one of the greatest swimming coaches in America has never swum a stroke in his life. He can't swim. We won't swear to that story—we've only heard tell. But we can vouch for a fact almost as unbelievable.

One of the most progressive and successful retailers of cigars in Philadelphia has never tasted cigar smoke, yet daily advises veteran smokers on their choice of cigars. Three years ago, this dealer didn't know the difference between a panatella and a perfecto, yet today can discourse learnedly on shapes, shades and sizes and like matters dear to the true cigar lover.

Well, we might as well let the cat out of the bag. This unusual cigar merchant is a woman, Miss R. M. Sellers, manager of one of the stores of the Nevin Drug Co.

Miss Sellers began her career at 15 when she got her first job in a drug store and has been in the drug business ever since. "When I came to manage this store," she said, "our cigar business was next to nothing. We carried a few brands, but made no attempt to push them. I knew very little about cigars, and cared less. But I found myself, day after day, turning away customers who asked for brands I had never even heard of. That set me thinking. I figured we made about five cents on a tube of shaving cream that would last a customer four weeks. If we could get his cigar business we'd make as much or more every day.

"I determined this was going to be one drug store where the cigar counter was not a side issue. And knowing nothing about cigars I figured it was up to me to learn. I went to a cigar factory and asked them to let me see how cigars are made. I asked all sorts of questions of every cigar salesman who came in the place. In my lunch hour and evenings, I visited cigar stores and studied their stock, their displays and the sales methods the clerks used. I questioned them, too. I guess I made a general nuisance of myself, but I was beginning to know something about cigars.

"Well, I'm still learning. I still go around looking and asking questions. And I study my customers, too. I know not only their names and their favorite cigars, but little personal things, such as whether they like to be

(Continued in next column)

kidded a bit or are the 'strictly business' type. Knowing your customers is as important as knowing your goods, maybe more so.

"Yes," she replied to a question by the interviewer. "I like the cigar business. I get a lot of fun out of it."

An interesting side-light is thrown on Miss Sellers's ability as a merchant by something that happened not long ago. A manufacturer, putting a new brand on the market, offered a prize to the Philadelphia dealer who would sell the most of his brand within a certain time. By some oversight Miss Sellers was not informed of the contest. Much to her surprise she was awarded the prize for high score. She had pushed the cigar, merely because she believed in its quality, and without knowing she was competing in a race.

## THIS SIMPLE PLAN TRIPLED DEALER'S SALES

Fred E. Brown, New York, submits the following story which many a salesman can apply with advantage.

Did you ever go into a drug store to buy a cigar (asks Mr. Brown), hammer your coin on the case, wait a while for the clerk to show up—and finally walk out without the cigar? Lots of men have.

Not long ago I persuaded one of my drug store customers to place a few boxes of cigars on his soda fountain-lunch counter, where the soda dispenser could give immediate service. This customer tells me that his sales of the brand thus displayed twice in the store have tripled.

## WHEN "NO" MEANS "YES"

They say a woman's "no" means "perhaps." If you work it right, the cigar dealer's "no" often means "yes"—according to Arthur Pines, Chicago salesman. Says Mr. Pines:

A dealer is called on by so many salesmen in the course of a year that sales resistance becomes second nature with him—and the word *no* is always on the tip of his tongue.

When I wanted to put a poster on a dealer's window I used to say: "May I put up this poster?" And too many times the answer was *no*. These days I say: "You don't mind if I put up this poster, do you?" I still get a lot of *no's*, but in this case it means "go ahead." Of course, it doesn't work every time, but most times it does.

BAYUK BRANDS BUILD BUSINESS
**Bayuk 'Phillies'**
(BAYUK PHILADELPHIA PERFECTO)
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

To aid these manufacturers he urged removal of the processing tax, stating that it is essential that low-priced cigars, especially the five-cent cigar, be maintained. He said that cigar sale volume would be sharply decreased if the industry was forced to abandon the five-cent cigar and sell the present five-cent quality cigar at an odd-cent price, such as six or seven cents. He cited a previous loss in volume when operating costs forced the industry into odd-cent figures in 1916.

Fred J. Davis, of Schwab-Davis & Company, New York, brought out that the manufacturers' list price had not been increased by the elimination of cut-priced cigars in retail outlets.

Harley W. Jefferson, of the American Tobacco Company, who was introduced as an expert on Wisconsin cigar leaf tobacco, testified that there is a very large supply of low grade Wisconsin leaf on hand and a small supply of the better grades. He said that 80 per cent. of this year's cigar leaf crop in Wisconsin had been damaged by frost and is suitable mainly for use in two for five-cent cigars and in scrap chewing tobacco. A number of manufacturers, of low-priced cigars, have been forced to close their plants because of the processing tax and increased costs, he stated. If the processing tax were eliminated, he contended, it would allow a margin of profit sufficient to permit the low-price manufacturers to reopen their plants, and with the tax eliminated these manufacturers could afford to push their sales, particularly through advertising and eventually could consume the large quantity of low grade tobacco now held in Wisconsin.

# Ruling on Combination Sales

THE RESOLUTION of the National Code Authority for the Retail Tobacco Trade prohibiting combination sales with cigarettes was set aside by NRA as being an unwarranted restriction on retail selling. The resolution in question was as follows: "RESOLVED, that where a minimum price on any tobacco product has been established under the Retail Tobacco Code, it shall be a violation of Article VI, Section 4, of said Code for this product to be offered or sold in combination with any other article or commodity. No device or subterfuge may be employed to evade this prohibition of combination sales."

Upon an application by Frank H. Waggoner, Editor of *Premium Practice,* 420 Lexington Avenue, New York, N. Y., for an interpretation and revision of the above resolution, acting on behalf of members of the tobacco industry, NRA, under date of October 26, 1934, issued the following interpretation:

"It is held that such combination sales are not in violation of said Section 4, Part II, Article VI, unless such fixed minimum price is thereby reduced by charging a price for the combination, which is less than the fixed minimum price of the tobacco product plus the reasonable value of the other merchandise. Such reasonable value shall be deemed to be the minimum price at which such merchandise may be sold pursuant to any Code of Fair Competition governing the normal sale thereof, but shall in no event be less than the cost of such merchandise to the tobacco retailer.

"It is further held that Section 9 of Article VII will not be violated if the tobacco retailer does not make the purchase of such other merchandise a condition to the purchase of the tobacco product."

This ruling of NRA means that combination sales are permissible by retail tobacco dealers provided in the combination price there is the full code price of the cigarettes plus a sum to cover the cost to the retailer of the combination article. Thus if a cigarette lighter is offered with a pack of cigarettes and the combination sale price is large enough to cover the full code price of the cigarettes and also the cost or more than the cost of the other article to the dealer, that such combination sale is permissible under the Code.

The second paragraph of the NRA ruling simply states that customers must be permitted to purchase the cigarettes alone and not in the combination if they so desire. That situation would prevail in every store, and therefore does not change the situation.

This ruling had the endorsement and approval of McKenzie Shannon, Esq., Assistant Counsel; Irwin S. Moise, Deputy Administrator; E. M. Jeffrey, Chief, Review Division, and Armin W. Riley, Division Administrator.

# Exemption for Slow Workers

DIVISION ADMINISTRATOR Armin W. Riley today approved an order granting an exemption from Article IV, Section 9, of the code for the cigar manufacturing industry to the Val Roma Cigar Co., of Evansville, Ind. The section permits members of the industry to employ a certain number of slow workers at less than the minimum hourly rate, provided they receive the same piece rate as the fast workers. Under the Code, these slow workers are limited to 25 per cent. of the total number of hand workers employed or 10 per cent. of the machine workers.

The order approved by the Division Administrator permits the Val Roma Company to classify 50 per cent. of the rollers engaged in the manufacture of five-cent cigars as slow workers until January 1, 1935, provided that such workers shall be paid $5.00 per thousand for rollers, $2.50 for hand bunchers and 90 cents for machine bunchers. The company is also required to furnish the Code Authority a statement, evidencing compliance with the Code and with the terms of the exception granted.

The exemption was granted on the showing by the company that there was not an adequate supply of fast workers available.

The experienced dealer says: "I have found that when you tie up with El Producto you can't help but make a go of quality business."

G. H. P. CIGAR CO., INC., PHILA., PA.

EL PRODUCTO
*for real enjoyment* 10 *cents* AND UP

# Mechanization Dispute in Netherlands

**By DON C. BLISS, Acting Commercial Attache, The Hague**

SEVENTY-SIX cigar manufacturers in the Netherlands have requested the government to prohibit, as a crisis measure, the use of the so-called rolling machines, namely, those machines which roll the outside leaves around cigars or cigarillos, but not the filler (inside-material) machines, which have been introduced into the trade to such an extent that they could not be done away with any more. Consequently they are asking for a prohibition of only the finishing operation by machine labor.

By virtue of a written authorization of seventy-six manufacturers who employ more than 10,000 laborers in their factories, the N. V. Karel I Cigar Factories at Eindhoven have sent an extensive address to the Chairman of the Ministerial Council and the Ministers of Social Affairs, Economic Affairs and Finance. In that address it is pointed out that the newest types of complete cigar machines, which may be handled by three young laborers, wrap 30,000 cigars per week. A fully skilled cigarmaker finishes about 3,000 cigars per week. Therefore, the introduction of such machinery greatly restricts labor possibilities.

Many laborers who have been thrown out of work already, and cannot find work in the regular industries, try to get a place in the so-called marginal industries, where labor is done on any wages. The result is, it is stated, that in these marginal industries cigars are made at such a low sales price that the regular trades cannot compete. The only way to make competition possible then is to buy more machinery, which again results in greater unemployment and extension of the marginal industries. If no measures are taken against machine labor, the cigar industry will be largely mechanized in a short time. Also the present marginal industries will then not be able, even at the very low wages which are being paid there, to provide work for the large numbers of unemployed who will then be dismissed on account of the mechanization, and the country will have another group of thousands of permanently unemployed laborers.

Another result of the mechanization will be, it is asserted, that the selling prices which now already have declined very much, will decrease still more, because the unemployed laborers will accept work in the marginal industries at any wages, and the machine products will have to be sold at cheaper prices. As a result the tobacco excise will bring in a much smaller total amount.

The manufacturers are ready to cooperate with the government in the interest of employment conditions, but urge that quick action should be taken, because they do not feel justified in waiting much longer with the mechanization or further mechanization of their plants if it is not certain that measures may be expected from the government in a short time.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

FIRM belief that the depression will be a thing of the past by next summer is held by Administration officials as a result of recent developments in banking and industry. Announcement by the Ford Motor Company that its 1935 production would be 1,000,000 cars, for the first time since 1930, brought to Washington a conviction that other producing interests would follow suit in expanding their output. Holding consistently to the opinion that real recovery could be started by one prominent manufacturer setting the ball rolling, Administration leaders expect a general advance in industrial production all along the line in the near future.

Coincident with the Ford announcement, Leo T. Crowley, chairman of the Federal Deposit Insurance Corporation, reported a sharp increase in bank deposits, which he held to be a forerunner of business recovery.

"History shows that money never remains idle indefinitely," Crowley pointed out. "In fact, there is no historical precedent for money remaining idle as long as it already has."

As its own contribution toward overcoming the inertia of industry, the National Recovery Administration called in representatives of 23 durable goods lines for the purpose of correlating their codes to overcome difficulties of operation which have been encountered, and took quick steps to mediate the controversies between chain store operators and their labor.

With increased production, money ready to go to work, the durable goods industries restarted and labor troubles eliminated, the Administration believes real recovery would come quickly.

OFFICIALS of the National Recovery Administration are studying the complaint of the cigar industry against imports of low-priced cigars from the Philippine Islands, filed recently under Section 3 (e) of the Industrial Recovery Act, together with other complaints from domestic producers of other products which have been pending for some time. It is expected that in the near future the Administration will ask the Tariff Commission to conduct investigations of these cases and recommend action by the President, if found advisable.

Under the provisions of the act, where imports are found to imperil industries operating under recovery codes, quotas or import fees, or both, may be imposed.

A NATION-WIDE investigation of local code administration problems directed chiefly at enforcement and assessments under the retail codes, has been undertaken by the National Industrial Recovery Board. A committee consisting of Deputy Administrators Irwin S. Moise, Robert K. Straus and G. de Freest Larner, has been appointed by the Board to visit a number of leading trade centers to discuss conditions with business men and code authority secretaries.

The purpose of the study, it was explained, is to coordinate and effect economies in the local administration of codes and to eliminate the multiple assessments, of which there has been much complaint, including that from grocers handling cigarettes and cigars, from whom the Tobacco Code Authority would exact contributions.

The NRA group will visit some fifteen cities in various sections of the country for the purpose of gathering first-hand information on the subject of code administration and assessments. Among the cities already selected for the investigation are Dallas, Birmingham, Atlanta, Nashville, New Orleans, Milwaukee, Des Moines, Omaha, Chicago, Cleveland, Baltimore, Providence, Concord, N. H., Buffalo and Pittsburgh.

NUMEROUS changes among those who have been acting as advisers to the President and his recovery program are expected to be made in the near future, now that this can be done without setting up any political disturbances which might have influenced the elections. Men whose personalities or views have been considered inimical by business interests will be gradually replaced by others who will have the endorsement of nationally known business leaders.

For some time, it has been learned, Administration officials have been conferring quietly with leading industrialists in the compilation of a list of advisers whose activities are felt to be causing business to lose confidence. These men will gradually be "recalled" to their former pursuits and succeeded by economists and business men of recognized standing.

With something over a year of comparative political serenity before him, the President is expected to modify the ultra-radical attitude which some of his subordinates have displayed into a policy of encouraging business, banking and industry to come out of the "storm cellar" of depression.



## APPLY FOR CODE INSIGNIA

THE N. R. A. has determined that Code Insignia for the Retail Tobacco Trade should be distributed to all members of the trade, which means any person engaged wholly or *partially* in the selling of tobacco products, reports a release from the National Code Authority for the Retail Tobacco Trade, signed by William A. Hollingsworth, chairman. From this it will be seen that any person selling tobacco products along with other lines of merchandise, is entitled to the Code Eagle for the Retail Tobacco Trade, even though the volume of tobacco business is less than that of his remaining business.

All insignia will be marked with serial numbers and each retail tobacco establishment will be registered under a different number. Those who receive copies of the Code Eagle in response to their application for same are requested to fill out the self-addressed card attached to each emblem and to return it directly to our office.

We are requesting that state and local chairmen publicize this notice throughout their territories. We are anxious to effect distribution of the Code Insignia as soon as possible to all dealers entitled to its use. Co-operation of all Code Authorities and local associations in bringing about prompt distribution will be appreciated.

All applications should be sent to the National Code Authority for the Retail Tobacco Trade, Room 1148, Woolworth Building, New York City.

## ARMISTICE DAY RECOGNIZED

The National Industrial Recovery Board, on recommendation of Division Administrator Armin W. Riley, approved an order staying the provisions of Article III, Section 4, of the cigar manufacturing code, which requires that all time work on legal holidays by employees of the industry, must be paid for at the rate of time and one-third. The stay as granted affected only Monday, November 12, 1934, Armistice Day this year coming on Sunday.

The wide variance in different states in the observance of Armistice Day made this stay necessary, especially as this is the industry's peak season. In states where the day is not observed as a legal holiday, manufacturers would be able to operate as usual, while in other states where it is a legal holiday, manufacturers would be faced with the alternative of closing down at the height of their season or else paying overtime.

## MANILA SHIPMENTS DECLINE

A MARKED decline in shipments of cigars from the Philippines to the American market in September has been reported to the Department of Commerce by Trade Commissioner C. Grant Isaacs at Manila. Total shipments during the month were but 5,324,874 units compared with 24,065,270 in the same month last year, a decrease of 18,740,396 units or nearly 80 per cent. The reduction, it was stated, was due to a decline in the shipment of Class A cigars, which are the type retailed in this country for not more than five cents each.

## CIGAR PRICE CHANGES

THE National Code Authority for the Retail Tobacco Trade announced the following prices to be effective under the Cigar Merchandising Plan. Note carefully that all prices quoted in this Bulletin are final. If they are inconsistent with any provisions of the printed notice, entitled "Extracts from the Cigar Merchandising Plan", circulated by the National Code Authority some time ago, then the prices and discounts in this Bulletin are the ones that should be observed. Also, all new prices and discounts covered by this Bulletin are to be added to and to be considered part of the notice originally received by you:

1. In the case of multiple sales of cigars listed at less than five cents a unit (two for five cents; three for ten cents) with the Council, a discount of 8 per cent. may be deducted in case of box sales of twenty-five or more such cigars.

*Price Changes:* 3/50 cigars, for 6/95; 15¢ cigars, for 7/$1.00; 2/25 cigars, for 5/60; 3/35 cigars, for 5/57; 14¢ cigars, for 5/67; 2/5 cigars, for $1.15, box of 50; 10¢ cigars, for 5/48; 20¢ cigars, for 5/95; 3/10 cigars, for 50/$1.54; 100/$3.08.

Any manufacturer may disallow these multiple sale discounts on less than ten (10) cigars, by notifying his trade accordingly.

## STAY OF WAREHOUSE HOURS

THE National Industrial Recovery Board on November 6th approved an order carrying a limited stay of the maximum hours' provisions of the approved code for the auction and loose leaf tobacco warehouse industry. The stay became effective immediately. It will remain in effect not longer than February 1, 1935, or until a permanent solution of the peak period situation in the industry is arrived at. According to the order, members of the industry who are going to take advantage of it must file notice of their intention with the Code Authority.

Under the stay, unskilled employees may work ten extra hours per week, and up to twelve hours per day, provided that overtime pay at the rate of time and one-half be paid for all time worked in excess of eight hours per day or forty hours per week.

The Board was informed that it is imperative that unskilled labor of warehouse operators be enabled to work overtime during the peak season just beginning, since it is impossible to recruit adequate extra staffs for limited overtime.

## ADOPTS INSURANCE PROGRAM

THE Preferred Havana Tobacco Co., Inc., has announced the adoption of an employees' group life insurance program which covers eligible workers in the company's branch office in Tampa, Fla., and those in the main office in New York City. The plan is being underwritten by the Metropolitan Life Insurance Company on a cooperative basis, whereby the employer and employees share the cost.

Individual life insurance benefits range from $500 to $1,500, according to the employee's occupational rating. Participation entitles the insured worker to the services of a visiting nurse, during sickness or injury. This service is supplemented by the periodical distribution of health pamphlets.

# Tobacco Outlook for 1935

(*Continued from Page 5*)

factured tobacco products is not likely to show much change, leaving the net increase for flue-cured products in the United States about the same as that which occurred last year.

Exports during 1933-1934 totaled 380,000,000 pounds (farm sales weight), which represents an increase of 22 per cent. over the exports a year earlier and 14 per cent. over two years earlier. This is about 10 per cent. below the five-year average. The quantity exported last year exceeded foreign consumption for the first time since 1930-1931. It is probable that in view of the reduced production in 1934, exports during 1934-1935 will be below foreign consumption. Foreign consumption showed a small reduction last year, and it appears probable that some further decline may take place during 1934-1935. Although the consumption of United States flue-cured tobacco in the United Kingdom appears to have shown some increase during the last few months, this gain has been more than offset by declines in other important countries, particularly in China. The production of flue-cured tobacco in foreign countries in 1934 appears to have been larger than in 1933, notwithstanding the smaller crop in Canada, and it is expected that further increases may take place in 1935, bringing the total foreign production for reporting countries (China, Japan, South Africa, Canada, and Australia) above 200,000,000 pounds.

It is estimated that the total world consumption of flue-cured tobacco during 1934-1935 will be around 630,000,000 pounds. This suggests that world stocks on July 1, 1935, will be about 1,265,000,000 pounds or 6.4 per cent. below those of July 1, 1934. Therefore a crop of flue-cured tobacco in 1935 equal to that of 1934 would make a total world's supply for the succeeding year of about 1,800,000,000 pounds or about 5 per cent. below that of July 1, 1934. On the other hand, a 1935 crop as large as that of 1933 would give a world's supply approximately 105,000,000 pounds larger than that of 1934-1935.

Sales to October 1st from the 1934 crop of flue-cured tobacco were at the most favorable prices in more than a decade. Judging from the effects of high prices in previous years, it appears that if no control measures were to be applied in 1935 the acreage planted to flue-cured tobacco would be so increased as to result in a crop far in excess of world consumption. The present economic situation in the flue-cured tobacco industry indicates that the total supply for the 1935-1936 season should not greatly exceed that available for the present season.

### FIRE-CURED TOBACCO—TYPES 21, 22, 23 AND 24

The outlook for fire-cured tobacco shows only moderate improvement. World supplies though materially reduced are still large, and the export situation shows no material improvement. Foreign consumption of these types, which has been on a downward trend for the last decade or more, decreased further during the last year, but a moderate increase is shown in domestic consumption.

Production of fire-cured tobacco in the United States in 1934 is currently estimated at 121,628,000 pounds. This is the smallest crop on record and is materially less than world consumption for the 1933-1934 season. As this crop is below world consumption, stocks of these types a year hence will show a sizeable reduction from present levels.

Domestic stocks of fire-cured tobacco on October 1st are estimated at about 215,000,000 pounds (farm sales weight). Foreign stocks of United States fire-cured types have been estimated at 133,000,000 pounds. World stocks, together with the estimated domestic production of nearly 122,000,000 pounds, make a total world supply of 470,000,000 pounds for the 1934-1935 season. This is about 2 per cent. less than the world supply the previous year and around 35 per cent. below the level of world supplies ten years earlier. However, present supplies are large in view of the reduced rate of consumption.

World consumption of United States fire-cured tobacco, for the twelve months ended September 30, 1934, is estimated at 134,000,000 pounds. This is about 2 per cent. below world consumption for the preceding twelve-month period and about 35 per cent. smaller than world consumption in 1925. Foreign consumption decreased during the last season, but was offset to some extent by increases in domestic use. About 70 per cent. of the fire-cured tobacco produced in the United States is exported and about 30 per cent. of it is used in domestic products, principally snuff. Tax-paid withdrawals of snuff for the twelve months ending with September, 1934, were approximately 5 per cent. larger for the previous twelve months.

The foreign trade in United States fire-cured tobacco has declined rapidly since 1923, owing to the increasing competition of foreign tobacco and to changes in consumer preferences. Exports for all fire-cured types for the twelve months to September 30, 1934, totaled only 83,000,000 pounds (farm sales weight). This is 9 per cent. below exports for the previous year and more than 50 per cent. below the exports of ten years ago.

The outlook for fire-cured tobacco in 1935 depends to some extent on the disposition made of the excess production of some producers of the quantity allotted under contract. If this excess is destroyed, the supply situation will have been so improved by 1935 that a reduction in the crop somewhat less than that of 1934 will restore supplies to their normal relationship with consumption.

### BURLEY TOBACCO—TYPE 31

The dominating factor in the burley situation is the huge carry-over from the 1933 and previous crops. In 1933 the October carry-over was about 736,000,000 pounds, farm weight. Added to the 1933 production of 382,000,000 pounds, this made a total supply of 1,118,000,000 pounds, the equivalent of about four years' consumption requirements compared with an average of 2.8 years' supply during the ten-year period 1920-1929. This year it is believed that October stocks (not yet tabulated) will amount to about 837,000,000 pounds farm weight. This, added to the estimated 1934 production of 298,000,000 pounds, makes a total supply of 1,135,000,000 pounds, or again, about four years' consumption requirements. Should the full quantity be sold or held available for sale, the total supply for the ensuing year would be 1,135,000,000 pounds, or about 1½ per cent. greater than that of a year ago. This suggests that the planting of an acreage next year equal to that of 1934 would be unwise. Owing to favorable yields, it has been reported that a large percentage of the burley growers who signed contracts with the



Agricultural Adjustment Administration this year have produced in excess of their quota. The method of disposing of this excess tobacco will have an important bearing on the present and future outlook. If as has been estimated the excess production by signers amounts to 25,000,000 pounds and this quantity is destroyed or rendered unfit for the ordinary uses, the present potential supply and next October's carry-over will be diminished accordingly.

The demand situation in Burley has improved somewhat. Cigarette consumption has shown an upward trend since April, 1932. Withdrawals during the twelve months ending September 1 were about 9 per cent. higher this year than last. Consumption of other products for which Burley is used has shown but little change, however, and the total disappearance of Burley in the 1933-34 season will probably be about 6 per cent. over that of the previous season.

### MARYLAND TOBACCO—TYPE 32

The outlook for good Maryland tobacco appears to be favorable. But it is to be noted that the total supply as of October 1 is the highest on record, largely because of the accumulation of low-grade tobacco. Production in 1934 is estimated at 24,480,000 pounds, compared with 20,400,000 pounds in 1933; whereas it is estimated that stocks on October 1 were 38,000,000 pounds, compared with 40,488,000 pounds a year ago. The net effect of these changes in production and stocks is to increase the total supply from 60,888,000 pounds on October 1, 1933 to about 62,500,000 pounds on the same date in 1934. A considerable portion of the existing stocks and total supply represents an accumulation of low-grade tobacco. Offsetting this increase in total supply is the fact that exports have improved somewhat during the last nine months and there are indications that domestic consumption also is increasing. Total disappearance is estimated at 23,000,000 pounds during the last twelve months, which is substantially larger than disappearance during any of the preceding three years. Prices paid on the Baltimore market for the 1933 crop averaged slightly higher than those paid for the 1932 crop, notwithstanding the fact that the only sales of low-grade tobacco have been at extremely low prices.

### DARK AIR-CURED TOBACCO—TYPES 35, 36 AND 37

The supply situation of the dark air-cured class of tobacco has improved during the past year. Production during the last two years has been on a lower scale than in previous years, and there has also been a reduction in stocks. The October forecast of production of dark air-cured types is about 10,000,000 pounds less than the total disappearance during the year ended October 1, so that it is probable stocks will be further reduced by October 1, 1935.

Disappearance of dark air-cured tobacco declined more than 50 per cent. during the last decade but has remained at about the same level during the last two years. Most of the earlier decline was due to the decreasing consumption of chewing tobacco, here and abroad. This decline has proceeded without interruption for many years, but there are indications now that, temporarily at least, the decline has been checked. Considerable quantities of dark air-cured tobacco are exported in the form of black-fat, and these exports are being fairly well maintained. Altogether, no material change in the world consumption of these types is likely to occur during the ensuing year.

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**The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.**

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| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
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**Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.**

**Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.**

### REGISTRATIONS

**FEDCO:—46,384.** For all tobacco products. Fred E. Druck & Co., Dallastown, Pa., October 10, 1934.

**BROAD-PAR:—46,385.** For all tobacco products. Fred E. Druck & Co., Dallastown, Pa., November 9, 1934.

### TRANSFERRED

**HADDINGTON:—45,303** (Tobacco Merchants' Association). For cigars, cigarettes and tobacco. Registered July 26, 1928, by Benjamin Gorlitzer, New York, N. Y. Transferred to E. Popper & Co., Inc., New York, N. Y., May 5, 1931.

### ADDITIONAL PHILADELPHIA NOTES

The Romeo y Julieta cigar (imported) is being featured very thoroughly throughout this city with good results.

Yahn & McDonnell report two new sizes of the Optimo now being marketed in the Philadelphia Area with marked success. They are front-marked Straights and Conchas Extra, and retail at three for twenty-five cents. Abe Caro, of the Optimo firm was in town last week visiting the local distributors and was much gratified at the showing on these new sizes.

Ben Lumley, Garcia y Vega representative in this territory, has just returned from a very successful trip through northern New York State, including Utica and Albany, and found business conditions in that section decidedly improved. Mr. Lumley states that the Garcia y Vega brand, distributed in this territory through Yahn & McDonnell, is showing steady increases, particularly in the Regalia size, and in the Class C sizes.

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VOLUME 54 No. 23

# THE TOBACCO WORLD

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# THE TOBACCO WORLD

Vol. 54 DECEMBER 15, 1934 No. 23


THERE is cause for rejoicing over the tobacco business figures for the month of October, as reported on page 5 of this issue. Cigar men, particularly, have plenty of reasons for feeling good. Why shouldn't they, with the reports for October of this year revealing the best business in three whole years? That total of more than 518 million cigars, an increase of 16¾ per cent. over the same month of 1933, is the best encouragement they have had in years. If this is an indication of the New Deal working out, then certainly the cigar men will be for that. The cigarette figure, nearly 10¾ billion, a gain of more than a billion and a half, or nearly 17 per cent., was nothing to be sneezed at, either. Speaking of sneezes, it happens that snuff, which had been a source of surprise to many who could not understand how it kept to such a heavy volume when other tobacco products were losing, was alone behind the procession in October, for manufactured tobacco also showed an increase. Does this mean the revival of the cigar business and of the tobacco business generally? It will if everyone concerned in the business determines that it will. Here's hoping.

THE suit to test the constitutionality of the National Industrial Recovery Act, brought by two cut-price chains in protest against the price-establishing provisions of the cigar code, is scheduled to come up in the United States District Court in Philadelphia on December 4th. It is reported that Newton D. Baker and James M. Beck have been engaged by the plaintiffs. Those who are most directly and most vitally interested in the case are the great body of cigar retailers throughout the country. They are the ones who have profited by the price-fixing regulations against which the chains are fighting. They are the ones who will suffer, again, if loss-leaders are permitted to become once more a part of the business of merchandising cigars and other tobacco products.

UNDER the heading "Burgoo and Boom," the sprightly weekly newsmagazine, *Time*, gave a characteristic report of Carrolton, Kentucky's first annual tobacco festival, participated in by 10,000 tobacco farmers, breezy as any college football crowd. They guffawed when a big black hearse lumbered into position at the head of a half-mile parade. Emblazoned on its side was the legend: OLD TOBACCO PRICES—SIX FEET UNDER THE SOD. To the blare of a forty-piece band they marched through the business streets of Carrolton to the Henry County Tobacco Warehouse. When somebody yelled, "C'mon folks, the burgoo's ready!" they broke ranks, stampeded for the warehouse platform.

After partaking of the burgoo stew, they listened to the speakers, including Wood F. Axton, president of Axton-Fisher Tobacco Co. As president of the sixth largest tobacco company in the U. S., says *Time*, Wood F. Axton is pre-eminently a buyer of raw tobacco, not a seller. As such, he might be expected to favor low leaf prices. But this farseeing Kentuckian, who was once a grocery salesman, seized the opportunity to publicize his interest in a square deal for Kentucky tobacco farmers regardless of the consequence to him or his company. From behind a rough-hewn speaker's table in the warehouse he declared: "The leaders of the AAA are honest, earnest men and not politicians. . . . I would urge your continued co-operation with these men . . . ." Espousing New Deal economics, the man who threw a scare into big tobaccomen two years ago with the 10¢ package continued: "The farming classes have been let down by too much profit-taking by industrialists. It is no wonder that the game has been broken up. There has been too much take-out. The country cannot have prosperity unless the producing class gets enough to buy back the products of its labor."

IN case you are interested in burgoo, listen to the recipe of James T. Looney, best brewer of burgoo stew in Northern Kentucky, who was fetched over from Lexington to brew 1500 gallons of the concoction for the Carrolton celebrants: "Here are the ingredients for 1000 gallons of burgoo: 800 lb. lean beef with no bones; 200 lb. fat hens; 900 lb. canned tomatoes; 240 lb. canned carrots; 180 lb. canned corn; 200 lb. cabbage; 60 lb. salt; 4 lb. pepper; 'my own seasoning'. Cook 18 to 20 hr. in iron kettle out of doors over a wood fire. It is thicker than soup and has a flavor from the open air you can't describe."

TOBACCO WORLD records, with regret, the passing of Thomas B. Yuille, prominent in the tobacco industry for many years, at his home in New York City, on November 22d, after an illness of three years, at the age of sixty-four. From the beginning, he devoted himself to the leaf tobacco end of the business. He went from Durham, N. C., to the New York offices of the American Tobacco Company in the days of James B. Duke, and, after the organization of the present company became vice-president under Percival S. Hill, in charge of leaf tobacco interests. He resigned in 1916 and later became president of the Universal Leaf Tobacco Co. In 1923 he was elected president of the Tobacco Products Corporation. He is survived by his widow, four daughters and a sister.

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# Kerr-Smith Tobacco Act

## Growers Will Decide on Its Continuance in 1935

THE question of continuance of the Kerr-Smith Tobacco Act in 1935 will be submitted to growers of four types of tobacco in a referendum in December, the Agricultural Adjustment Administration recently announced. Persons who own, rent, share-crop or control land customarily engaged in the production of flue-cured, Burley, fire-cured and dark air-cured tobacco will be given an opportunity to vote in the referendum. The exact date for opening the referendum will be specified by the county agent in each county after he has received printed ballots from Washington. These ballots now are being printed. December 15 is fixed as the final date on which ballots will be received throughout the voting area. Administration officials hope to be able to announce the results of the referendum by December 20.

Owners, renters, share-tenants and share-croppers will be given an opportunity to vote on the following question:

"Do you favor a tax on the sale of (name of the type of tobacco which differs in the several voting areas) tobacco for the crop year beginning May 1, 1935 as provided in the Kerr-Smith Act?"

The ballot for owners and renters asks the number of acres of tobacco harvested on the farm in 1934, while the ballot for share-tenants and share-croppers asks the number of acres of tobacco harvested by the share-tenant or share-cropper in 1934 "including both your share and the landlord's share". In order that the vote of every person may be related to specific acreage, it is essential to have the cards identified with the land that is owned, rented, share-cropped or controlled by the person voting.

One or more voting places will be designated in each county. Before the opening voting day, county agents will mail individual notices to all landowners and renters and to share-tenants and share-croppers whose names and addresses are available, specifying the time and place for voting in their locality. In addition, the places and times for voting will be given general publicity.

County agents will mail cards for use in balloting, to persons who have not voted by December 8. Eligible voters may sign these cards and return them by mail or may leave them unsigned and return them in person to the county agent. Cards mailed to voters will be accompanied by a notice which will include a statement of the closing date for receiving votes and will advise the voter that if all other persons having an interest in his land or in the production of tobacco on the land in which he is interested, and who vote, favor continuance of the Kerr-Smith Act, and if his vote is not received by the closing date, it may be determined that he favors continuance of the Act.

Where ballots are cast in person, the balloting will be secret. Ballots deposited at the voting places by the voter need not be signed. Voters who find it necessary to mail their ballots should sign the ballots in order to prove their right to vote. Information as to how any person votes, however, is to be confidential.

The votes will be tabulated in each county. Immediately after the county report has been prepared and mailed, all voting cards received in the referendum will be mailed to the Tobacco Section of the Adjustment Administration.

The basis for a referendum on the Kerr-Smith Tobacco Act is contained in the Act itself, which specifies that before the ad valorem tax provided in the bill may be levied for the crop year 1935-1936 it must be determined "that the persons who own, rent, share-crop or control three-fourths of the land customarily engaged in the production of any type of tobacco favor the levy of the tax thereon."

The Kerr-Smith Act levies a tax of 33 1-3 per cent. of the gross first sale value of all tobacco (except Maryland, Virginia sun-cured, and cigar-leaf tobacco) harvested in the crop year 1934-35, but provides that the Secretary of Agriculture may prescribe a lower rate of tax (not less than 25 per cent. of the price for which such tobacco is sold) if he determines and proclaims that such lower rate will best effectuate the declared policy of the Act.

The Secretary prescribed a rate of 25 per cent. for the 1934-35 crop year. The tax is payable by the seller. Every first sale of the types of tobacco taxed under the Act must be covered either by revenue stamps or by tax-payment warrants.

In effect the tax falls upon growers who have not entered into contracts with the Secretary. They are obliged to purchase stamps. The Secretary is authorized to issue tax-payment warrants to growers who have entered into contracts with the Secretary and to other growers for whom no equitable provision could be made under the contracts offered by the Secretary. Contracting growers are entitled to sell, under tax-payment warrants, all of the tobacco which they are permitted, under their contracts, to market. The quantity of tobacco which non-contracting growers in a county may sell under tax payment warrants is limited to 6 per cent. of the quantity which may be marketed by contracting growers in such county.

The Act further provides that if "the Secretary of Agriculture determines that the persons who own, rent, share-crop, or control three-fourths of the land customarily engaged in the production of any particular type of tobacco favor the levy of the tax thereon and that the imposition of the tax thereon is necessary for the orderly marketing of such tobacco in interstate and foreign commerce and to effectuate the declared policy of this Act, he shall proclaim such determination at least 60 days prior to the next succeeding crop year, and the tax shall thereafter apply to tobacco of such type harvested during the crop year next following the date of such proclamation." The beginning of the crop year as defined in the Act is May 1.

County agents have the names and addresses of all owners or renters of tobacco land in their respective counties. More than 90 per cent. of these growers produced tobacco this year under contracts which, at the discretion of the Secretary of Agriculture, may be continued in 1935. Growers who have not signed

(*Continued on Page 8*)



# Everything But Snuff Gains in October

THE following comparative data of tax-paid products, indicated by the monthly sales of stamps, are issued by the Bureau. (Figures for October, 1934 are subject to revision until published in the annual report.)

| *Products* | —*October*— *1934* | *1933* |
|---|---|---|
| Cigars (large) | | |
| Class A .....No. | 414,979,210 | 337,323,610 |
| Class B .....No. | 8,143,383 | 2,450,263 |
| Class C .....No. | 66,138,986 | 63,099,004 |
| Class D .....No. | 4,856,931 | 4,790,013 |
| Class E .....No. | 337,809 | 788,801 |
| Total ..... | 494,456,319 | 408,451,691 |
| Cigars (small) .....No. | 21,013,000 | 17,231,000 |
| Cigarettes (large) ..No. | 237,250 | 284,200 |
| Cigarettes (small) ..No. | 10,718,132,697 | 9,176,407,703 |
| Snuff, mfd. .....Lbs. | 3,042,730 | 3,787,145 |
| Tobacco, mfd. .....Lbs. | 27,463,735 | 26,759,203 |

Tax-paid products from Puerto Rico (not included in above statement) were as follows:

| *Products* | —*October*— *1934* | *1933* |
|---|---|---|
| Cigars (large) | | |
| Class A .....No. | 6,289,955 | 7,509,850 |
| Class B .....No. | 237,350 | 323,500 |
| Class C .....No. | 103,400 | 91,100 |
| Total ..... | 6,630,705 | 7,924,450 |
| Cigars (small) .....No. | 300,000 | 350,000 |
| Cigarettes (large)..No. | | 40,000 |
| Cigarettes (small) ..No. | 360,570 | 200,000 |

Tax-paid products from the Philippines (not included in above statement) were as follows:

| *Products* | —*October*— *1934* | *1933* |
|---|---|---|
| Cigars (large) | | |
| Class A .....No. | 17,160,980 | 27,564,095 |
| Class B .....No. | 10,153 | 18,200 |
| Class C .....No. | 60,276 | 21,250 |
| Class D .....No. | 500 | ..... |
| Class E .....No. | ... | 1,700 |
| Total ..... | 17,231,909 | 27,605,245 |
| Cigarettes (large) ..No. | ..... | 3,000 |
| Cigarettes (small) ..No. | 59,200 | 200,590 |
| Tobacco mfd. .....Lbs. | 5 | ..... |

### TOTAL WITHDRAWALS FOR PREVIOUS OCTOBERS

| | |
|---|---|
| 1920.....704,799,089 | 1926.....664,496,623 |
| 1921.....635,807,697 | 1927.....688,921,203 |
| 1922.....693,940,778 | 1928.....723,318,050 |
| 1923.....711,654,834 | 1929.....701,710,936 |
| 1924.....635,230,565 | 1930.....623,860,841 |
| 1925.....711,222,189 | 1931.....534,370,786 |
| 1932 436,832,436 | |

### COMPARATIVE COLLECTIONS FOR OCTOBER

| *Source of revenue* | *1934* | *1933* |
|---|---|---|
| Cigars ..... | $1,291,634.13 | $1,127,627.22 |
| Cigarettes ..... | 32,156,394.23 | 27,532,043.20 |
| Snuff ..... | 547,691.44 | 681,686.01 |
| Tobacco, chewing and smoking ..... | 4,944,394.50 | 4,817,361.35 |
| Cigarette papers and tubes ..... | 82,245.40 | 96,086.24 |
| Miscellaneous, relating to tobacco ..... | 357.46 | 904.44 |

### COLLECTIONS FROM AGRICULTURAL ADJUSTMENT TAXES AND TOBACCO SALE TAX

| *Commodity* | *Month of October* | *Total from July 1, 1934 (Fiscal year 1935)* |
|---|---|---|
| Tobacco (tax effective October 1, 1933) | | |
| Processing tax .....$ | 2,337,392.46 | $9,396,751.13 |
| Import compensating taxes ..... | 7,909.26 | 94,995.86 |
| Floor taxes ..... | 5,324.54 | 15,172.53 |
| Total, tobacco ...$ | 2,350,626.26 | $9,506,919.52 |
| Tobacco sale tax ..... | 154,411.14 | 269,065.30 |

### TRADE PRACTICE COMPLAINTS COMMITTEE

The National Recovery Administration on November 17th announced approval of organization and procedure plans for the trade practice complaints committee of the Cigar Manufacturing Industry as follows:

Committee to consist of the following: F. P. Will, G. H. P. Cigar Co., Philadelphia; Fred Davis, Schwab Davis and Co., New York City; A. H. Gregg, American Tobacco Co., New York City; W. Popper, E. Popper & Co., New York City; M. Gryzmish, Alles and Fisher, Boston; D. Osterweiss, Lewis and Son, New Haven, Conn.; J. Driscoll, R. J. Sullivan and Co., Manchester, N. H.; P. Forristal, Congress Cigar Co., Newark, N. J.; B. Grabosky, Grabosky Bros., Philadelphia; A. J. Newman, Bayuk Cigar Co., Philadelphia; E. Perez, Benson and Hedges, Tampa, Fla.; Con Just, Mazer Cressman and Co., Detroit, Mich.; U. Trelles, M. Trelles & Co., New Orleans, La.; A. Sensenbrenner, A. Sensenbrenner & Sons, Los Angeles; A. Petri, Petri Cigar Co., Inc., San Francisco; M. Ibold, M. Ibold, Inc., Cincinnati, O.; A. Worch, Worch Cigar Co., St. Paul, Minn.; J. C. Newman, M. & N. Cigar Mfg. Co., Cleveland; J. Lampert, Jacob Lampert Cigar Co., St. Louis; T. Horton, Van Slyke and Horton, Inc., Albany, N. Y.; W. Best, General Cigar Co., New York City; William Boucher, William Boucher & Sons, Baltimore, Md., and a representative of Franklin and Co., Chicago.

**Christmas Cigar Sales Will Be Big. Get Your Share of Them.**

# PHILADELPHIA.

### HOLIDAY CHEER AT BAYUK'S

HOLIDAY colorfulness characterizes the window displays in the reception room of Bayuk headquarters at Ninth and Columbia Avenue. The Christmas packages are attractively shown against a red and white background, with Yuletide candles, and the appropriate suggestion that Bayuk Phillies gratify . . . The Foremen's Club, composed of keymen of industrial establishments, has been making trips through the plant in relays . . . Al Mendelsohn, of Meyer & Mendelsohn, Hartford, Conn., was a recent visitor . . . Walding Kinman & Marvin, of Toledo, O., assisted by H. E. Johnson, B. S. (Bayuk salesman) recently finished a drive which materially increased the distribution of Phillies in that territory and created a number of new placements . . . B. W. Burnside strolled into headquarters over the weekend and announced he had one of the best weeks ever in Pennsgrove, N. J., where F. W. Layton & Son are the distributors . . . Frank Sandsky has just returned to headquarters after having completed a special sales promotion campaign in Des Moines, Ia., for Myers Cox Co., distributors . . . Henry Freeman Co., Worcester, Mass., are making a drive on Phillies in their sector, with the aid of C. E. Miller, Bayuk salesman.

### ENTHUSIASM AT G. H. P.

IF you can't down Frank P. Will, executive vice-president of G. H. P., with reports of losses in the cigar figures (because he can always find something encouraging in them) how do you think he felt about the big gains in October? You're right. He was just the most enthusiastic cigar man around these parts . . . When your reporter called at Third and Brown, the boss was out of town, as usual, spreading the gospel of good cigar business in the offing, as was his almost-as-itinerant aide, D. A. Jenks, assistant sales manager, who was preaching the same gospel to the members of the Newark and New York branches . . . The ground floor offices are decorated with two beautiful displays, one over the entrance door exploiting La Azora in a setting of Christmas in the countryside, and another on the far wall of the office depicting Santa Claus wishing Merry Christmas and intimating that El Producto is essential For Real Comfort . . . Holiday orders are exceeding the company's expectations, with a lot of extras that were not anticipated.

## Trade Notes

Grabosky Bros., Inc., report business holding a good steady pace on their brands, with every indication of good business for the holiday period.

Mr. Brown, of the Ambassador Hotel Cigar Stand, Atlantic City, is spending some time on a vacation trip on the Island of Cuba.

The new size of the Blackstone cigar, known as the Yankee, and retailing at two for fifteen cents, is being well received in this territory. This brand is distributed here by Yahn & McDonnell.

Harry Haines, well-known York County cigar manufacturer, and member of Congress from his district, was a visitor in town this week, renewing acquaintances in the trade.

The Don Sebastian cigar, distributed in this territory by John Wagner & Sons, and a product of Arango y Arango, Tampa, Fla., is enjoying a splendid increase in demand this year as compared with the same period of 1933.

At Yahn & McDonnell headquarters, distributors of cigars, tobacco and smokers' accessories, there is every evidence of the reported upturn in business. Business with this firm is showing marked increases over the same period of the previous year, and in further proof of this increase, this firm has recently added two new employees to their office and shipping forces, making a total of seven additional employees since August of this year.

John Wagner & Sons, Dock Street distributors, report business showing very marked improvement, and their Wagner and Monticello brands of cigars showing up particularly well, with their Wagner No. 3 brand of smoking tobacco also registering a fine increase in distribution and demand. This firm also reports orders for holiday business are already coming in in good volume and prospects point to a very good holiday business for this year.

● Above is Ray Baker, star newspaper man of the International News Service... snapped by the camera at his job. He says: "A big story breaks and I am on the desk for ten hours...twelve hours...working at top speed! Whenever I feel 'all in,' Camels bring back my 'pep.' For over ten years I've preferred Camels—I can smoke them continually without jangled nerves."

**CARTOONIST.** Chon Day says: "I often work 10-11-12 hours at a stretch and am smoking Camels all the time. They increase my 'pep' and never upset my nerves."

**GIRL EXPLORER.** Mrs. William La-Varre says: "Any time I'm tired a Camel wakes up my energy. Smoking Camels steadily does not affect one's nerves."

**LEAF-TOBACCO EXPERTS AGREE:**

"Camels are made from finer, More Expensive Tobaccos—Turkish and Domestic—than any other popular brand."

*Listen Every Tuesday and Thursday Night to the New*

**CAMEL CARAVAN**

*featuring*

WALTER O'KEEFE • TED HUSING
ANNETTE HANSHAW
GLEN GRAY'S CASA LOMA ORCHESTRA

**TUESDAY**

10:00 P.M. E. S. T. 8:00 P.M. M.S.T.
9:00 P.M. C. S. T. 7:00 P.M. P. S. T.

**THURSDAY**

9:00 P.M. E. S. T. 9:30 P.M. M.S.T.
8:00 P.M. C. S. T. 8:30 P.M. P. S. T.

*Over Coast-to-Coast WABC-Columbia Network*

**HOCKEY STAR.** Bill Cook says: "I smoke only Camels. Their taste sure hits the spot! I smoke all I want and I find that Camels never get on my nerves or tire my taste."

Copyright, 1934, R. J. Reynolds Tobacco Company

**CAMEL'S COSTLIER TOBACCOS NEVER GET ON YOUR NERVES!**

# Stock of Leaf Tobacco in U. S.

STOCKS of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,199,781,000 pounds on October 1, 1934, compared with 2,008,635,000 pounds on October 1, 1933. This is an increase in the total stocks of 191,146,000 pounds over the stocks of a year ago October 1st. From July 1, 1934, to October 1, 1934, total stocks decreased 14,216,000 pounds, while during the same period of 1933 the decrease amounted to 90,402,000 pounds.

Stocks of flue-cured tobacco on hand October 1, 1934, amounted to 758,709,000 pounds, compared with 605,710,000 pounds on October 1, 1933, an increase of 152,999,000 pounds. The stocks of Type 11 on October 1, 1934, were reported as 281,287,000 pounds; Type 12 as 272,813,000 pounds; Type 13 as 153,423,000 pounds; and Type 14 as 51,186,000 pounds.

Stocks of fire-cured tobacco were reported as 187,831,000 pounds on October 1, 1934, compared with 196,439,000 pounds on October 1, 1933. Total fire-cured stocks were 8,608,000 pounds lower than they were a year ago October 1st, and 28,843,000 pounds lower than on July 1, 1934. Virginia fire-cured, Type 21, stocks reported as 27,655,000 pounds were slightly higher than a year ago. Type 22 of the Kentucky and Tennessee fire-cured reported as 125,116,000 pounds on October 1, 1934, shows a decrease for the quarter of about 11 million pounds. (Note the correction of the July 1, 1934, figures.) Type 22 stocks were a little over 13 million pounds lower on October 1st of this year than they were on October 1, 1933, while Type 23 stocks which were reported as 30,896,000 pounds on October 1, 1934, were about 4 million pounds higher than a year ago. Henderson Stemming, Type 24, reported as 4,164,000 pounds on October 1, 1934, showed little change.

Burley tobacco stocks were about 84 million pounds higher than they were a year ago, and 64 million pounds lower than on July 1, 1934. The October 1, 1934, report shows 700,173,000 pounds of Burley on hand. Maryland tobacco stocks were about 5 million pounds lower than a year ago. The October 1, 1934, report shows 35,577,000 pounds of Maryland tobacco on hand.

One-Sucker stocks on October 1, 1934, amounted to 31,893,000 pounds, about 4 million pounds lower than on July 1st of this year and slightly higher than a year ago. Green River stocks reported as 31,655,000 pounds on October 1st were about 5 million pounds lower than a year ago. Virginia Sun-cured stocks were reported as 2,026,000 pounds, Miscellaneous Domestic, 2,259,000 pounds, and foreign-grown cigarette tobacco stocks, 68,313,000 pounds on October 1, 1934.

# Cigar Leaf Tobacco Stocks

Stocks of American grown cigar filler types amounted to 167,138,000 pounds on October 1, 1934, compared with 173,488,000 pounds on October 1, 1933. The decrease in filter type stocks for the quarter from July 1 to October 1 of 1934, was 7,298,000 pounds, compared with a decrease of 3,929,000 pounds for the same period of 1933. Type 41, Pennsylvania Seedleaf stocks on October 1, 1934, were 91,695,000 pounds; Type 42, Gebhardt, 22,024,000 pounds; Type 43, Zimmer, 26,240,000 pounds; Type 44, Dutch, 7,060,000 pounds; Type 45, Georgia and Florida Sun-grown, 1,620,000 pounds; and Type 46, Porto Rican, 18,499,000 pounds. About 74 per cent. of the total filler type stocks reported are shown in the C group in the detailed report as being actual filler grades, and about 25 per cent. in the X group or stemming grades.

The cigar binder type stocks were about 9 million pounds lower on October 1st of this year than on October 1, 1933. Total binder type stocks were reported as 191,104,000 pounds on October 1, 1934. Connecticut Valley Broadleaf stocks were reported as 35,740,000 pounds; Connecticut Havana Seed, 34,011,000; New York and Pennsylvania Havana Seed, 2,704,000 pounds; Southern Wisconsin, 75,531,000 pounds; and Northern Wisconsin, 43,118,000 pounds. The detailed report by groups of grades shows that of the total binder type stocks reported 4,149,000 pounds are of wrapper quality, 69,895,000 pounds are binders, 9,252,000 pounds are fillers, and 107,539,000 pounds are stemming grade or X group tobacco.

Shade-grown wrapper type stocks were about 2½ million pounds lower on October 1st than they were a year ago. Connecticut Valley Shade stocks were reported as 8,685,000 pounds, and Georgia and Florida Shade as 4,150,000 pounds on October 1, 1934. Of the total of 12,835,000 pounds of shade tobacco reported, 8,794,000 pounds were reported in the A group as being of actual wrapper quality.

Foreign-grown cigar leaf tobacco stocks were reported as 10,268,000 pounds on October 1, 1934, compared with 11,617,000 pounds on October 1, 1933.

# Kerr Smith Tobacco Act

(*Continued From Page 4*)

Burley—Type 31; grown in Kentucky, Tennessee, Ohio, Indiana, West Virginia, Missouri, Virginia and North Carolina.

Fire-cured—Types 22, 23 and 24; grown in Southern Virginia; Western Kentucky and Western Tennessee.

Dark Air-Cured—Types 35 and 36 (One Sucker and Green River); grown in Western Kentucky and Western Tennessee.

contracts will be given an opportunity to sign contracts for 1935. Both contracting and non-contracting growers will have opportunity to vote.

The principal areas in which the several types of tobacco affected by the referendum are grown are:

Flue-cured—Types 11, 12, 13 and 14 as defined by the Bureau of Agricultural Economics; grown in Virginia, North Carolina, South Carolina, Georgia, and Florida.

## THIS CHRISTMAS WRAPPER WILL ATTRACT "HER" EYE

WOMEN haven't come to smoking cigars—*yet* . . . but they do buy a lot of cigars in boxes for Christmas gifts. Bayuk apparently recognized this feminine angle in designing this year's Christmas wrapper for the PHILLIES box. The predominating color of the wrapper is a deep, rich blue, with an old-time Christmas scene on the top in rich reds, green and gold.

In making this year's wrapper even more colorful and attractive than the one used last Christmas—Bayuk has sacrificed nothing in display value. In fact the wrapper this year has even greater attention value on the counter.

The value of the Bayuk Christmas wrapper has been recognized by dealers who say that they get a larger share of the Christmas gift business by reason of the fact that the Bayuk Christmas package lends itself to display and gives a more "Christmasy" atmosphere to the store.

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## CIGAR-LEAF TOBACCO

The outlook for cigar tobacco has improved. However, burdensome supplies and restricted outlets, especially for the stemming grades, continue to face growers. The decline in cigar consumption has been checked but the consumption of scrap chewing tobacco continues to decline. Even after the serious oversupply situation of recent years has been corrected, farmers will be obliged to continue production at a level much below that of 1931 and previous years if improved prices are to be maintained.

Tax-paid withdrawals of cigars for the nine months ending with September 1934 were about 2 per cent. larger than for the same period in 1933, but about 30 per cent. below the average for the five-year period 1926-30. Available information indicates that the consumption of scrap chewing tobacco has declined around one-third during the last three years. During the last year the decreased use of cigar tobacco in production of scrap chewing more than offset its increased use in cigars.

Estimated production of domestic cigar tobacco in 1933 was approximately 35,000,000 pounds less than consumption, thus resulting in a reduction by that quantity in stocks (including farm stocks) held on October 1, 1934 from those of a year earlier. Early estimates of production and consumption for 1934 indicate that stocks will further decrease by approximately the same quantity by next October 1.

As compared with the normal relation of stocks to consumption, present stocks are still excessive. Those of October 1, 1934 were equivalent to approximately 4.4 years' consumption, whereas from 1934 to 1929 stocks averaged 2.4 times the annual consumption. The reduction in stocks during the last year was equivalent to approximately one-third of a year's consumption.

October 1 estimates indicate a 1934 crop of cigar tobacco of 70,569,000 pounds. This is the smallest crop reported for cigar tobacco districts since 1869. Production of filler types for 1934 is estimated at 36,155,000 pounds, binder types 27,431,000 pounds, and wrapper types 6,983,000 pounds. Approximately 92 per cent. of the growers operated in 1934 under adjustment contracts with the Agricultural Adjustment Administration. Under the terms of these contracts, the reductions made in acreage in 1934 may be continued in 1935.

Tobacco plantings in Puerto Rico for the 1934-35 crop are expected to be about 33 per cent. smaller than those of 1933-34. The import duty on tobacco and tobacco products from Cuba was reduced under the Reciprocal Trade Agreement between Cuba and the United States, effective September 5, 1934, but the quantity of such tobacco and tobacco products (unstemmed equivalent) which may be imported during any year is limited to 18 per cent. of the quantity of tobacco used in cigar factories in the United States during the preceding year. The percentage relationship is approximately the average of the last ten years.

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## EXEMPTION RECOMMENDED

THE Industrial Appeals Board has recommended that the Continental Briar Pipe Company, Inc., Brooklyn, N. Y., be granted exemption from the smoking pipe industry code provision restricting the number of apprentices which may be paid subminimum wages to five per cent. of the total number of employees. The recommendation is being studied by the National Recovery Administration, and an early decision is expected.

The Continental Briar Pipe Company is now operating its Brooklyn plant at full capacity, and desires to establish a new factory at South River, N. J., to meet the rapidly increasing demand for its product. It was shown that there are no unemployed skilled workers in the industry, and that the company can not train new help within the five per cent. limitation of the code. The process of training new workers, the Appeals Board found, is very expensive, and employing learners at the minimum code rate would not result in any financial advantage to the employer.

The company had also asked for permission to pay apprentice rates for a learning period of twelve weeks, instead of six weeks as provided in the code, and the NRA had denied the application. The Appeals Board upheld this denial on the ground that no evidence was presented which proved that this employer or the employees of South River, N. J., require a longer period with respect to learning the business than is required elsewhere in the industry.

# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

MEMBERS of the subcommittee on internal revenue taxation of the House Ways and Means Committee will meet early in December for the consideration of tax questions, but it is anticipated that Government tax experts will counsel against any general revision of the present law if any move in that direction is made when Congress convenes. Possibilities that the agitation for a reduction in the tobacco taxes will be revived if the revenue law is opened for broad amendment are said to be one of the reasons for disinclination to enact a totally new tax law, although the major aim is declared to be the reassurance of business, now apprehensive of a further burden of taxation which would add to industrial depression.

However, provisions of the present law under which some $400,000,000 a year are secured will expire by statutory limitation at the beginning of the year, and some consideration will have to be given this situation. The matter undoubtedly will be dealt with in the President's budget message in January.

All branches of the tobacco industry are reported to Washington as restive under the heavy burden of taxation threatened by the processing taxes, and it has been indicated that the convening of Congress will be a signal for renewal of the drive made last session for a 40 per cent. cut in tobacco tax rates.

Whether the Ways and Means Subcommittee will go into this phase of the tax problem has not been made known. Its initial consideration will be given to the administrative provisions with a view to developing possibilities of cutting red tape to expedite the collection of taxes.

EFFORTS will be made by Administration leaders to have the coming session of Congress as short as possible so as to minimize the building up of minority groups and the development of political and sectional controversies. If possible, the President would like to have the session adjourn in the early spring and at any rate not later than May 15th. For the past three years Congress has lingered on well into the summer, largely due to the refusal of the Senate to place any limitations upon its own discussions. In the House, the rules are such that business can be expedited.

Early adjournment, of course, depends on the reaching of an agreement between leaders as to the legislative program, but President Roosevelt has already informed his lieutenants in the House that he desires that all appropriation bills shall be brought up and disposed of before any other legislation is considered. This will preclude any undue lengthening of the session by delaying the introduction of any of the money bills, a device which has been resorted to in the past when Congress wished to remain in Washington over the objections of the Administration.

A number of important subjects will have to be dealt with by Congress during the coming session, including reorganization and perpetuation of the National Recovery Administration, continuance of the Reconstruction Finance Corporation, amendment of the Agricultural Adjustment Act and appropriations for relief and Public Works Administration. It is also planned by the Administration to have the social insurance program acted upon.

Other matters, either sponsored by the Administration or to be brought up by members themselves, include the soldiers' bonus, the St. Lawrence seaway treaty and public utilities legislation.



RETENTION of the three-cent rate of postage on first-class mail for at least another year will be recommended to Congress in January by Postmaster General Farley. It is estimated by the Post Office Department that the additional cent required on first-class mail has returned a revenue of $75,000,000 a year. The Postmaster General's announcement that he will seek continuance of the present rate came as no surprise, despite his recent claim that the postal service made a profit of more than $12,000,000 during the fiscal year ended June 30th, last, "after adjustments for subventions and free mailing service".

The "adjustments" to which Mr. Farley referred consisted of writing off the books some $64,000,000, the official Treasury statement for the fiscal year showing that the postal service had a deficiency of $52,000,000.



FEDERAL charters for all business corporations are advocated by Ferdinand Pecora, who served as counsel for the Senate Committee which investigated Wall Street and is now a member of the Securities and Exchange Commission, and legislation on the subject may be asked of Congress during the coming session. Agitation for a Federal law is based on charges that many of the abuses uncovered during the Wall Street probe were made possible by incorporation of companies in states whose statutes are loosely drawn.

P. LORILLARD COMPANY, Inc.
119 West 40th Street · New York City
Is offering an unusually attractive line of Christmas Wrapped Packages this year... packages that will help you sell Merchandise

## TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

RETAIL TOBACCO DEALERS OF AMERICA, INC.

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CLIFFORD N. DAWSON, Buffalo, N. Y. ..... Executive Vice-President
JAMES C. THOMPSON, Chicago, Ill. ..... Treasurer

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MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

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ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
A. STERNBERG, Newark, N. J. ..... Secretary

RETAIL CIGAR STORE ASSOCIATION OF PHILADELPHIA

MORRIS LEVITONE ..... President
SAMUEL MAGID, 2001 N. Mervine St., Philadelphia, Pa. ..... Secretary

THE NATIONAL ASSOCIATIONS OF TOBACCO DISTRIBUTORS, INC.

E. ASBURY DAVIS, Baltimore, Md. ..... President
JOSEPH KOLODNY, 200 Fifth Ave., New York, N. Y. ..... Secretary
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer

UNITED STATES TOBACCO DISTRIBUTORS ASSOCIATION

JOHN F. BROWN ..... President
HERMAN H. YAFFE, 301 Fox Building, Philadelphia, Pa. ..... Secretary



## CIGAR COMPLIANCE TRIALS

MR. HAMMOND CHAFFETZ, Special Assistant Attorney General assigned to defend actions for the Code Authority and the NRA, has arranged with the Court and attorneys for the plaintiffs to commence the hearings on such cases on Tuesday, December 4th.

The three National Code Authorities, Retailers, Jobbers and Cigar Manufacturers, will cooperate in securing the material for these trials.

The Retailers' Code Authority has established an office in Philadelphia, also a trained staff of field operators from the national headquarters in this trading area and engaged other local personnel to carry on the compliance and enforcement work in this territory.

Harry Tint, chairman of the Philadelphia Code Authority, called a meeting of the Philadelphia retailers Monday night in the Hotel Adelphia. All the principal dealers and chain store representatives in the city attended the meeting. William A. Hollingsworth, chairman of the National Code Authority, and Siegfried Hartman, general counsel for the National Code Authority, addressed the meeting and assured the retail dealers that every available agency was being employed to vigorously prosecute any violators of the Code, also to defend the suits brought by the Sunray and Nevins chains.

The retailers present passed a resolution to support both the Local, State and National Code Authorities in every respect, and observe strict compliance with the provisions of the Code and Cigar Merchandising Plan while awaiting the action of the Court upon the injunction suits. This vote of confidence for the Code Authorities manifests the general attitude of the Philadelphia retailers.

It is absolutely essential that these cases be brought to trial next Tuesday. The unfair advantage enjoyed by the two violators of the Code must be removed within the next few days, or the holiday business anticipated by the retailers in compliance will be seriously jeopardized.

It is believed that these two violators are members of a group which has determined to destroy the Cigar Merchandising Plan. There are about fifteen links in this chain of local chains, the principal leader being the Katz Drug Company in Kansas City.

Mr. Hollingsworth cited this to the retailers in his address to them, stating that the real issue at stake in these pending litigations was whether the Katz Drug Company in Kansas City was going to set retail prices for tobacco products throughout this country, in defiance of a Code approved by the President of the United States, after months of investigation, or whether the eight hundred thousand retail tobacco outlets were going to be permitted to enjoy the minimum prices assured them by what is in effect the law of the country.

Mr. Hartman outlined the procedure and clearly explained the status of the cases.

Latest reports from the Litigation Division of the NRA indicate that Mr. Chaffetz has these suits well in hand and that he proposes to proceed in all of the matters involving violations of the tobacco Codes with vigor and precision.

Evidence is being developed in two or three other minor cases, and once the Philadelphia case has been cleared away, the less important violators will immediately be brought into court and prosecuted.

PICK and PAT and BONIME'S ORCHESTRA are presented weekly over the following stations:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Baltimore | WFBR | Friday | Kansas City | WDAF | Saturday | Providence | WJAR | Friday |
| Boston | WEEI | Saturday | Los Angeles | KNX | Tuesday | Richmond | WRVA | Tuesday |
| Buffalo | WBEN | Friday | Madison | WIBA | Wednesday | St. Louis | KSD | Friday |
| Chicago | WMAQ | Friday | Milwaukee | WTMJ | Friday | St. Paul | KSTP | Monday |
| Cincinnati | WSAI | Friday | New York | WEAF | Friday | Salt Lake City | KDYL | Monday |
| Cleveland | WTAM | Friday | Omaha | WOW | Friday | San Francisco | KGO | Friday |
| Denver | KOA | Monday | Philadelphia | WFI-WLIT | Friday | Schenectady | WGY | Friday |
| Des Moines | WOC-WHO | Friday | Pittsburgh | WCAE | Friday | Seattle | KJR | Tuesday |
| Detroit | WWJ | Friday | Portland, Me. | WCSH | Friday | Spokane | KHQ | Tuesday |
| Duluth | WEBC | Tuesday | Portland, Ore. | KEX | Wednesday | Washington | WRC | Friday |
| Hartford | WTIC | Friday | SEE YOUR LOCAL EVENING PROGRAM LISTINGS | | | Worcester | WTAG | Friday |


# Cigars Up Over 176 Millions in 10 Months

| | *1st 10 Mos. Cal. Yr. 1934* | | *—Decrease +Increase Quantity* |
|---|---|---|---|
| Cigars: | | | |
| Class A— | | | |
| United States . | 3,288,971,575 | + | 154,470,425 |
| Puerto Rico ... | 48,309,575 | + | 1,374,080 |
| Philippine Is. . | 162,470,815 | + | 15,341,145 |
| Total ..... | 3,499,751,965 | + | 171,185,650 |
| Class B— | | | |
| United States.. | 42,285,179 | + | 19,822,263 |
| Puerto Rico ... | 1,504,550 | — | 1,098,500 |
| Philippine Is... | 339,654 | + | 173,254 |
| Total ..... | 44,129,383 | + | 18,897,017 |
| Class C— | | | |
| United States.. | 448,040,998 | — | 8,352,256 |
| Puerto Rico ... | 632,600 | + | 72,220 |
| Philippine Is... | 171,644 | — | 4,422 |
| Total ..... | 448,845,242 | — | 8,284,458 |
| Class D— | | | |
| United States.. | 31,682,025 | — | 4,089,505 |
| Puerto Rico... | 1,500 | + | 1,000 |
| Philippine Is... | 1,750 | + | 374 |
| Total ..... | 31,685,275 | — | 4,088,131 |
| Class E— | | | |
| United States.. | 2,489,783 | — | 1,096,137 |
| Puerto Rico ... | ..... | | ..... |
| Philippine Is... | 765 | — | 1,857 |
| Total ..... | 2,490,548 | — | 1,097,994 |
| Total All Classes: | | | |
| United States.. | 3,813,469,560 | + | 160,754,790 |
| Puerto Rico ... | 50,448,225 | + | 348,800 |
| Philippine Is... | 162,984,628 | + | 15,508,494 |
| Grand Total .. | 4,026,902,413 | + | 176,612,084 |

| | | | |
|---|---|---|---|
| Little Cigars: | | | |
| United States.. | 196,535,240 | + | 16,934,987 |
| Puerto Rico ... | 2,091,000 | — | 883,000 |
| Philippine Is... | 7,800 | + | 7,800 |
| Total ..... | 198,634,040 | + | 16,059,787 |
| Cigarettes: | | | |
| United States.. | 106,674,419,683 | + | 9,545,640,950 |
| Puerto Rico ... | 3,475,020 | + | 399,420 |
| Philippine Is... | 1,588,620 | + | 364,110 |
| Total ..... | 106,679,483,323 | + | 9,546,404,480 |
| Large Cigarettes: | | | |
| United States.. | 87,706,535 | + | 85,510,200 |
| Puerto Rico ... | 426,000 | — | 279,000 |
| Philippine Is... | 200 | — | 7,737 |
| Total ..... | 88,132,735 | + | 85,223,463 |
| Snuff (lbs.): | | | |
| All U. S. ..... | 31,362,893 | + | 42,551 |
| Tobacco (mfd. lbs.): | | | |
| United States.. | 262,426,985 | — | 388,232 |
| Philippine Is... | 28 | — | 141 |
| Total ..... | 262,427,013 | — | 388,373 |


**Send Two Dollars, with the coupon below to The Tobacco World, 236 Chestnut St., Phila., Pa., and get your copy twice a month for a year.**

.....

**Name**_____

**Street No.**_____

**P. O.**_____ **State**_____

Established 1886

*"BEST OF THE BEST"*

OPTIMO CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

*FACTORIES: Tampa and Key West, Florida*

**OUR HIGH-GRADE NON-EVAPORATING**

**CIGAR FLAVORS**

**Make tobacco mellow and smooth in character and impart a most palatable flavor**

**FLAVORS FOR SMOKING and CHEWING TOBACCO**

**Write for List of Flavors for Special Brands**

**BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS**

**FRIES & BRO., 92 Reade Street, New York**

## Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

**POSITION WANTED**

CIGAR SALESMAN COVERING EASTERN PENNSYLVANIA and Local Territory desires connection. Large following. Address Box No. 580, "The Tobacco World."

CIGAR FOREMAN HAVING 13 YEARS' EXPERIENCE ON Automatic Machines, wants a position. Also instructs beginners. Address Box No. 558, "The Tobacco World."

**CIGARS WANTED**

I AM ABOUT TO OPEN A DISTRIBUTING BUSINESS Specializing in cigars to cater to restaurants and cafe trade. Would like to specialize in 5 and 10 cent cigars under my own brand. Manufacturers communicate with me in reference to worth-while line. Hugh Donowick, 242 Milnor Ave., Lackawanna, N. Y.

**FOR RENT**

30,000 SQUARE FEET DAY-LIGHTED FLOOR SPACE IN A 3-story and concreted basement building adjacent to P. R. R. freight station in York, Pa. Building of sufficient strength to accommodate at least 50 cigar-making machines per floor. See A. Kauffman & Bro., York, Pa., for inspection and details.

**HAVANA CIGARS**

**BEER WITHOUT CIGARS, IS LIKE KISSING WITHOUT LOVE—Adopt as your slogan, "Kiss your beer, but love your cigars." Specially those Havana blended, "Good to the last Puff," manufactured by A. Ramirez & Co., Post Office Box 1168, Tampa, Fla. Write them for particulars today.**

# Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

**Schedule of Rates for Trade-Mark Services Effective April 1, 1916.**

| | | |
|---|---|---|
| Registration, | (see Note A), | $5.00 |
| Search, | (see Note B), | 1.00 |
| Transfer, | | 2.00 |
| Duplicate Certificate, | | 2.00 |

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

**GATEWAY:—46,386.** For cigarettes and smoking tobacco. Union News Co., New York, N. Y., November 3, 1934.

**WILLIAM McCRAW:—46,388.** For cigars. A. M. Robinson, Dallas, Texas, October 31, 1934.

### TRANSFERS

**GATEWAY:—14,521** (Tobacco Leaf). For cigars. Registered January 10, 1898, by Shaw & Kirkland, Utica, N. Y. Transferred to E. Popper & Co., Inc., New York, N. Y., and re-transferred to Union News Co., New York, N. Y., November 9, 1934.

**CRESTWOOD:—28,147** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered March 17, 1903, by Heywood, Strasser Litho. Co., New York, N. Y. Through mesne transfers acquired by Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to Garcia Grande Cigars, Inc., New York, N. Y., November 14, 1934.

**EL GRAN TRIUNFO:—5,957** (U. S. Tobacco Journal), and **1,210** (Tobacco Leaf). For cigars. Registered March 22, 1886, and March 23, 1886, respectively, by Witsch & Schmitt, New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to the original registrants, to the A. & B. Cigar Co., Tampa, Fla., November 14, 1934.

### CORRECTED PUBLICATION—Registration

**BROAD-PARK:—46,385.** For all tobacco products. Registered by Fred E. Druck & Co., Dallastown, Pa., November 9, 1934.

### YAHN & McDONNELL NOTES

The Garcia y Vega brand, distributed by Yahn & McDonnell, is enjoying a good demand here, under the able promotion of Ben Lumley, factory representative for the Garcia y Vega factory.

The new holiday package of Blue Boar tobacco is being shown by Yahn & McDonnell, and consists of one pound of Blue Boar tobacco and one Dr. Watson, Sr., pipe, the combination retailing at $2.25. Bought singly the two items would cost the purchaser $3.75.

John Flanigan, manager of the M. J. Dalton stand at 617 Chestnut Street, has another of his famous window displays this week showing the seven different kinds of leaf tobacco that are used in making the D. & M. No. 1 smoking mixture. A small parcel of the raw leaf tobacco is shown together with a map showing the seven different parts of the world from which these fine tobaccos are procured. The display is topped off, of course, by an open can of the D. & M. No. 1 mixture, showing that this mixture is cut especially for the pipe smoker to enable him to get the utmost satisfaction out of his pipe.

DECEMBER 15, 1934

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VOLUME 54 No. 24

# THE TOBACCO WORLD

## COMMON SENSE

The importance of attractive and dependable containers for fine cigars is recognized by the progressive cigar manufacturer.

Generally the brands that are increasing their goodwill in this present analytical market are packed in the *new improved AUTOKRAFT cigar boxes.*

Cigar Manufacturers who have not investigated the value of the merits and economies of the splendid and inviting package may obtain complete details promptly by addressing the AUTOKRAFT BOX CORPORATION.

*Phila., Pa.*
*Hanover, Pa.*
*Cincinnati, Ohio*

**AUTOKRAFT BOX CORPORATION**
LIMA OHIO
A Nation Wide Service

*York, Pa.*
*Chicago, Ill.*
*Detroit, Mich.*
*Wheeling, W. Va.*

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

# WOODEN BOXES

## Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES


# THE TOBACCO WORLD

Vol 54 DECEMBER 15, 1934 No. 24


AS REPORTED elsewhere in this issue, the first court decision regarding the price-fixing feature of the Tobacco Code, Judge Welsh, sitting in the United States District Court in Philadelphia, denied the petition of the Nevins Drug Co. and the Sun Ray Drug Co., asking for a temporary restraining order prohibiting NRA from starting civil or criminal proceedings against these companies for cutting prices in violation of the Code until after the conclusion of a test case against the Cigar Code. Commenting on the decision, S. S. Perry, Executive Secretary, National Code Authority for the Retail Tobacco Trade, wrote:

THIS is the most important event that has happened in our trade since the Retail Tobacco Code was approved. It is pretty clear evidence that the courts of this country are not going to permit a few ruthless, unethical dealers, outside the tobacco trade, to cause the ruin of hundreds of thousands of small, honest merchants who are doing more than their bit to help bring about national recovery. It is further indicative of what may happen to those few who attempt to defy the laws of this country and the President of the United States, who had just their kind in mind when he said, in approving the National Industrial Recovery Act, 'Its good is the assurance of a reasonable profit to industry and living wages for labor with the elimination of the piratical methods and practices which have not only harassed honest business but contributed to the ills of labor.'

"The dispatch with which this case was disposed of, and the results obtained, certainly should reassure all dealers in the country that their code is going to stick. If they will do 10 per cent. as much to support the Code Authority as it is doing to protect them, they can go to bed nights confident that they are insured against the pirates."

MAKING the proper allowance for Mr. Perry's enthusiasm, we can rejoice with him and with the tremendous body of retail tobacco merchants throughout the country that Judge Welsh ruled for them against the plaintiffs. Michael Francis Doyle, counsel for the companies, contended that the NRA was unconstitutional, and that the Tobacco Code "deprives the dealers of the right to run their business in their own way." He said, "We want to uphold the hands of President Roosevelt and support the National recovery legislation, but there are some evils in this code which have to be corrected speedily either by courts or by Congress, because otherwise it will ruin our business."

The Government was represented by United States Attorney Gerald A. Gleeson and four attorneys from Washington assigned especially to NRA cases. They were Hammond E. Chaffetz, Siegfried Hartman, Sumner Ford and Robert C. Dow. Attorney Chaffetz contended for the Government that "the methods of the chain drug companies constitute 'cut-throat competition' because of their underselling of their competitors," and that the latter would be driven out of business if the prices were not stabilized.

WILLIAM RABOFF, president of the Sun-Ray Company, which operates six stores in Philadelphia, eight in upstate Pennsylvania, and three in New Jersey, and which sells more than a million cigars monthly, was the first witness for the petitioners, and declared that his whole enterprise was in danger because of the recovery regulations. He explained that all of his company's stores are occupied under leases which guarantee the landlord a minimum monthly rental based upon a percentage of gross sales, and that since the Code went into effect October 29th last, the portion of the total income derived from cigar sales had dropped from 34 per cent. to 26 per cent.

Raboff engaged in a debate with Chaffetz over the question of whether "underselling" affected the manufacturers' output and labor conditions, and hotly disputed the attorney general's contention that "low prices" demoralized the business and labor markets. He cited an instance of buying 6,000,000 cigars in one lot from a manufacturer who had become overstocked, and his argument was that by taking this vast stock off the hands of the maker, he had opened the way for the manufacturer to put his employees back to work on new batches.

IT MUST have amused the retailers present when Counsellor Doyle pictured their sufferings under the Code which deprived them of the right to run their business in their own way, when, as a matter of fact, they were the ones most vitally concerned in keeping in the Code the very price-fixing regulations which the action before the court was intended to attack. And we wonder if any of the Government counsel thought to point out to Mr. Raboff the effect which his selling of six million cigars of an overstocked maker would necessarily have on the sales of six million other cigars sold at the established price and the consequent effect on the employes of the manufacturers of those properly-priced cigars while the overstocked man was putting men to work on new batches. We wonder, too, if anyone in the courtroom adverted to the fact that, while the petitioning companies bear the name of drug companies, their business is essentially that of selling goods at cut prices. They are "cut-price stores."

The TOBACCO WORLD (established 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; Gerald B. Hankins, Secretary. Office, 230 Chestnut Street, Philadelphia, Pa. Issued on the 1st and 15th of each month. Subscriptions, available only to those engaged in the tobacco industry, $2.00 a year, 20 cents a copy; foreign, $3.50 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

# An "Ears and Incomes" Air Report

DURING the first four months it was on the air, the current Chesterfield program with Andre Kostelanetz's Orchestra and the noted opera stars, Rosa Ponselle, Grete Stueckgold and Nino Martini, reached an actual audience of 12,456,000 radio homes, or (with three listeners per home) 37,368,000 listeners. This represents 69 per cent. of all the radio homes in the United States.

This was brought to light by "Ears and Incomes," a marketing study just completed by the noted research consultant, Dr. Daniel Starch, and published by the Columbia Broadcasting System. This study marks the first time that a measurement has been made of the degree of "total-market penetration" by a sales message—that is, the effectiveness of the whole advertising investment, not merely of a single broadcast or advertisement. It measures the combined effectiveness of program appeal, frequency of broadcasts and duration of campaign.

The "listening" data upon which the study is based were gathered in seventy-seven cities from coast to coast by Dr. Starch's investigators. They discovered just what proportion of the entire radio audience of 18,500,000 homes the Chesterfield program reached during its whole cycle of broadcasts.

The results of this survey are not to be confused with those of "coincidental" telephone surveys made on a given night while the program is actually on the air. Such surveys discover how many people are really listening to a single broadcast of a given program. But adding this week's audience to last week's audience to next week's audience doesn't give an answer in terms of total coverage—because a number of each week's listeners will be the same people.

The figure representing an average "one-night" audience may, however, be applied to the figure showing "total-market penetration," in order to measure a third factor—the amount of "repetition" of the advertising message. For instance, Dr. Starch found that the total audience to the Chesterfield program over a period of four months was, in round numbers, 36,000,000 listeners. A series of "coincidental" telephone surveys conducted by the Market Research Corporation over a period of weeks showed that the average "one-night" audience of the Chesterfield program was 8,000,000 listeners. Figuring on this average number of listeners for forty-five broadcasts, a simple process of arithmetic shows that the Chesterfield program, and Chesterfield's advertising message, reached a total of 36,000,000 listeners, an average of ten times each during the four months it was on the air.

Thus "Ears and Incomes" provides another yardstick for specific advertising campaigns never before offered by any other advertising medium—the yardstick of "telling how many people how many times." An advertiser can stand this up beside the actual dollars and cents invested in his whole campaign and figure out definitely whether he has received his money's worth.


A Tender Turkey

Big enough for all to have plenty on

CHRISTMAS DAY

and a

HAPPY NEW YEAR

each day of which will not seem long enough for you to take care of your bigger business—

That is the sincere wish of

THE TOBACCO WORLD




# Merchandising Provisions Upheld

## Judge Walsh Denies Restraining Order to Two Chains

U. S. DISTRICT JUDGE GEORGE A. WELSH on Tuesday, December 4th, upheld the constitutionality of the National Industrial Recovery Act and the validity of the Retail Tobacco Code. At the same time Judge Welsh denied petitions filed in the U. S. District Court for the Eastern District of Pennsylvania by the Sun-Ray Drug Company, operating a large chain of cut-rate drug stores in Pennsylvania and New Jersey, and the Nevins Drug Company of Philadelphia, attacking the constitutionality of the Recovery Act, the validity of the Tobacco Code, and requesting restraining orders to prevent the enforcement of the Cigar Merchandising Plan of the Code.

The decision of Judge Welsh, delivered from the bench immediately at the conclusion of presentation of evidence, is quoted in full below:

"The bill was filed November 2d, and it is now December 4th. This matter was of such paramount importance to all our people that when you came in and filed your bill I directed you to go to the clerk of the court and arrange for a speedy hearing. The several continuances that were granted were granted for a short period of time and because of personal matters that arose in the lives of the attorneys in the case, and those continuances were not in derogation of the rights either of the Government or of the plaintiff.

"I have been much impressed with the manner in which the case has been presented to the Court. The plaintiff stated on what he considered to be his rights and under the advice of counsel that for the past two weeks or so he has not been observing the Code, and now the Court is asked to decide whether or not, in view of the testimony that has been presented, and which clearly sets forth his status, a restraining order should be granted against certain officials of our Government.

"I would say that in order to warrant me in coming to a conclusion to restrain the responsible officials of our Government, I should have clearly presented to me a set of facts which as a Chancellor should strike me as being against good conscience and as in violation of the fundamental law of the land. I am not convinced that such a condition exists.

"I am not going to grant the restraining order at this time because I do not think in equity, considering the great public welfare, the purpose of this legislation and the crisis that confronts this beloved nation of ours, sitting here in the court of justice weighing the scales, seeing that they are properly poised between organized government on one side and the rights of the individual citizens on the other, that I am warranted in so finding.

"Now, Mr. Doyle, I know how tender you are of the rights of individuals under our sovereign State. I share with you equally in reverence and respect for State authority, and if I were convinced that your client were doing business entirely of an intrastate nature I might take a different point of view in this case, but the evidence clearly establishes the fact, and I want this to be distinctly understood, that he is doing an interstate business, and as such, in my opinion, he is brought within the law of the land under which the business is now operating, and I believe that law can be exercised by Congress within a sound discretion in the exercise of its constitutional rights.

"This will not preclude you, if you so desire, from presenting further evidence at a subsequent stage of the proceedings. Neither will the Government be precluded, should the case require the presenting of further evidence at a subsequent stage of the proceeding.

"I also feel that I must express myself in this way: Congress is about to meet. The Court must take judicial notice of the fact that an election was held on the 6th of November, and that public opinion on many matters pertaining to this Code was registered. If this subject of legislation is constitutional, as I believe it is, the public having registered its will; the public through its proper organs having expressed approval or disapproval of certain Codes or suggested modifications or exceptions of these Codes, Congress in its wisdom will say whether or not this legislation known as the National Recovery Act should be permanent, and it can put into effect the machinery, if it so desires, and consider that it should be made permanent, to further extend the necessary agencies to correct any hardships that may have been imposed or worked upon small people in the industry.

"I think the President's own commission, of which Mr. Darrow was one, by its findings indicated that injustice has been worked upon certain small men in various industries, and if I can gauge the President's hope by what has been his past performances, I can imagine that no one would be more anxious to have the Code conform to justice and equity for the little man than he.

"Therefore, right on the eve of the meeting of Congress just four or five weeks away, in view of the testimony that has been presented here and my own solemn responsibilities in the matter, visualizing, as I do, this great country of ours, with millions of people, striving to rehabilitate itself, striving to find a solution for one of the greatest economic problems ever presented to our people, I cannot at this time grant a restraining order.

"I want to thank the gentlemen on both sides of the case for their very able presentation of the case before me."

MR. CHAFFETZ: "Your Honor, before we adjourn I want to say that I know this has been a nerve-racking case to you. You have sat all day and have been very kind to us."

THE COURT: "I think the case would warrant our sitting all night, if necessary, to do justice to the parties involved."

---

### SAME DECISION IN N. J.

JUDGE WILLIAM CLARK of the U. S. District Court for the District of New Jersey, on December 10th, denied the application of the Gold Drug Stores, Inc., for a restraining order to restrain the National Code Authority for the Retail Tobacco Trade from enforcing the Cigar Merchandising Provisions of the Tobacco Code. This action is similar to that taken a week ago by U. S. District Judge Welsh in Pennsylvania in the cases of Sun-Ray and Nevins Drug Companies.

# PHILADELPHIA.

### SANTA CLAUS AT BAYUK'S

PREPARATIONS for the annual holiday festivities at Bayuk headquarters were signalized by the disbursement of the Sunshine Club's Christmas Fund . . . This organization of Bayuk employees distributed more than $150,000 to members this year . . . A substantial filling for the Christmas stockings of these thrifty workers . . . The display windows in the reception room on the seventh floor have been dressed for the Yuletide season by a real artist, the company's window decorator, and by the time this issue is off the press, the Christmas tree will be standing where Miss Pocahontas greets visitors . . . Robert J. Fellows is rounding out a gratifying volume of business in his Bound Brook, N. J., territory, and is pressing the factory for delivery of holiday orders . . . Down at Roanoke, Va., Barrow Penn Co. is maintaining a fast stride on Phillies and the other Bayuk brands . . . Keilson Cigar Co., Cincinnati, Ohio, is getting some big shipments of Phillies to take care of normal and holiday business in that district, where they distribute Bayuk brands.

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### DAVE JENKS RECOVERING

THE hosts of friends of D. A. Jenks, assistant sales manager of G. H. P. Cigar Co., will be glad to learn that he is recovering from the attack of grippe which confined him to his home following his attendance at the Army-Navy game . . . He had previously completed a tour of the midwest in the interest of El Producto and La Azora, returning to headquarters with a large number of holiday orders for the brands . . . N. Rice Cigar Co., Pittsburgh, Pa., has taken over the Johnstown and Altoona territory formerly held by Straus & Co., and have inaugurated an intensive campaign for the further popularization of El Producto in that terrain.

---

With the decision rendered in the U. S. District Court here last week, upholding the retail price provisions of the Retail Cigar Dealers' Code, retailers throughout the city have been greatly encouraged and are going after holiday cigar business in a big way, which is being reflected in increased sales all along the line.

## Trade Notes

The Royalist Factory, Grabosky Bros., N. Second Street, is being kept on their toes pushing production to the utmost in order to meet the demand for this popular brand at this season of the year.

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Ben Lumley, Garcia y Vega representative for this section of the country, has just returned from a trip to parts of Lancaster County, where he obtained some nice orders for his brand.

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Abe Caro, Optimo ambassador, was a visitor at the Optimo distributor's headquarters this week with that contagious and famous smile, which denotes that Optimo continues to sell right up among the leaders in this territory.

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At Yahn & McDonnell headquarters, we learn that the recently introduced Blackstone Yankee retailing at two for fifteen cents, is showing every indication of being a "winner". The consumer has given enthusiastic reception to this new size at this popular price.

---

Herman Abrams, Medalist representative, is back in town after a most successful trip through Eastern Pennsylvania, where he succeeded in expanding the distribution and sale of this quality brand in a highly gratifying manner. The Medalist brand in Philadelphia is also showing increased popularity.

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At John Wagner & Sons, I. B. White, manager of the cigar department, reports that Don Sebastian (product of Arango y Arango) is enjoying a splendid increase in demand, as well as their own Wagner brand, and that holiday business for 1934 shows every indication of going well ahead of the same period of last year. Mr. White also reports that their Monticello brand is forging steadily ahead, and that their imported line of brands is showing increased activity also.

# Production Adjustments Effective for 1935

SECRETARY of Agriculture Henry A. Wallace announced December 10th that the production adjustment contracts signed early in 1934 by producers of Burley, fire-cured and dark air-cured tobacco will be effective for 1935. The contracts give the Secretary the privilege of extending them into 1935, provided the producer is notified in writing prior to December 15, 1934. These notices are now being mailed. The notice of the exercise of the privilege of extending the contract signed by Burley tobacco producers makes applicable for 1935 a reduction of 40 per cent. from the base acreage and production of all contract signers in lieu of the optional rates of 33 1-3 and 50 per cent. in effect this year. A reduction of 50 per cent. from the base could have been required under the terms of the contract.

The rental payment to Burley contract signers will be $20 an acre for each acre rented—the same rate as in 1934. The first adjustment payment and second adjustment payment (less the producer's pro rata share of the administrative expense of his local Tobacco Production Control Associations) will be based upon the net sale value of the 1935 tobacco crop of individual contract signers. The adjustment payments will be at such rates, to be determined by the Secretary, as will tend to give producers the fair exchange value for that portion of their 1935 production which is equal to domestic consumption.

The contract for fire-cured producers calls for a reduction in 1935 of 20 per cent. from the base acreage and production, as compared with the 25 per cent. reduction in effect this year. Under the terms of the contract, the 1935 reduction also could have been as much as 25 per cent. from the base. Rental payments under the fire-cured contract will be at the rate of $12 an acre for each rented acre, the same as in 1934. The two adjustment payments (less administrative expenses of the Tobacco Production Control Associations) will be based upon the net sale value of the 1935 crop of fire-cured tobacco grown by the individual contract signers. The adjustment payments will be at such rates, to be determined by the Secretary, as will tend to give producers the fair exchange value for that portion of their 1935 production which is equal to domestic consumption.

Signers of dark air-cured contracts are called upon to reduce their acreage and production by 20 per cent. in 1935 as compared with the 30 per cent. reduction in effect this year. A reduction of 30 per cent. could have been required in 1935 under the dark air-cured contracts. The rental payment under the dark air-cured contracts will continue at $12 an acre for each acre rented. The adjustment payments (less administrative expenses of the Tobacco Production Control Associations) will be based upon the net sale value of the 1935 crop of individual signers of dark air-cured contracts. These will be at such rates, to be determined by the Secretary, as will tend to give producers the fair exchange value for that portion of their 1935 production which is equal to domestic consumption.

If the amount of the 1935 Burley tobacco crop grown for market under a contract is for any reason less than the initial production allotment a deficiency payment of two cents for each pound that the amount falls short of the initial production allotment will be made at the time of the second adjustment payment. Similar deficiency payments at the rate of one and one-quarter cents a pound will be made under the fire-cured and dark air-cured contracts.

The adjustment and deficiency payments under each contract are to be made after there has been presented to the Secretary satisfactory proof that the producer has fully performed all of the terms and conditions of the contract and after proof has been given of the net sale value of the 1935 crop. Proof of performance and net sale value must be presented to the Secretary prior to May 1, 1936.

The adjustment and deficiency payments are to be paid to the producer unless the tobacco produced on the farm under contract in 1935 is produced with the aid of share-tenants or share-croppers, in which event such payments are to be paid to a person to be designated as trustee by the producer and such share-tenants and share-croppers on the farm who had an interest in the tobacco under contract at the time of marketing.

The trustee is required to distribute the adjustment payments to those designating him trustee as their interests may appear, in the same proportion as the net sale values of the respective shares of such persons in the tobacco produced for market in 1935 bear to the net sale value of the total amount of such tobacco. The trustee shall distribute the deficiency payment in such manner as may be specified in written instructions signed by those designating the trustee at the time he is named.

# Wage Exemption for Two-fer Hand-Made

MAKERS of two-for-a-nickel cigars by hand may pay bunch-makers and rollers at a specified minimum piece rate instead of the minimum wage of 27 cents an hour specified in the Code for the cigar manufacturing industry, under terms of an order announced December 4th by the National Industrial Recovery Board. The minimum piece rates are $1.20 per thousand cigars for bunch-makers and $3 per thousand cigars for rollers. The stay will expire January 15, 1935.

Individual manufacturers have, in the past, complained that the Code wage rate makes it impossible for them to compete in the low-price field, especially with imported cigars. The Code Authority has made efforts to find a permanent solution of the problem, and has proposed modifications to the Code on which hearings have been held. Additional time is required for further study, however, and therefore the Code wage provision was stayed as to hand makers of two-for-five-cents cigars.

This exemption supersedes all individual exemptions previously granted to individual manufacturers. The Board specifies that any member of the industry availing himself of the exemption must submit a certificate of compliance, and that in the event of non-compliance the exemption will be immediately terminated.




*A man and his wife who had just returned from a round-the-world cruise spoke of Chesterfield as "an international cigarette."*

*It means something*

. . . that Chesterfield Cigarettes are on sale in 86 countries all over the world.

It means something that Chesterfields may be purchased on nearly all ships and at almost every port.

It means that for a cigarette to enjoy such popularity, it must have merit. We do our level best to make Chesterfield as good a cigarette as can be made.

*Smokers say . . . in almost every language*

*they Satisfy*

Above—Vacuum tin of 50—air tight—water tight—fully protected even if submerged in water.

Packages of 20 wrapped in Du Pont No. 300 Cellophane—the best made.

© 1934, Liggett & Myers Tobacco Co.

# Sales Above Allotments Permitted

UNDER an administrative ruling announced December 6th by the Agricultural Adjustment Administration, growers of fire-cured and dark air-cured tobacco who have signed production-adjustment contracts are permitted to sell tobacco in addition to their initial production allotments, in amounts not exceeding 15 per cent. of their allotments, if they agree to a reduction in the rate of the second adjustment payment. Unless sold under this ruling, contract signers are required to render unmerchantable any tobacco produced in excess of their production allotment.

The second adjustment payment under the contract for fire-cured tobacco is at the rate of 7½ per cent. of the net sale value of the producer's 1934 initial allotment; while the second adjustment payment for dark air-cured tobacco is at the rate of 10 per cent. of the net sale value of the producer's 1934 initial allotment.

Contracting growers have been issued allotment cards by county agents on the basis of the initial allotment. However, field agents have been instructed to issue tax-payment warrants under the cards covering a quantity of tobacco not exceeding 15 per cent. in excess of the quantity shown on the allotment card.

The administrative ruling will make it possible to market certain export grades of fire-cured and dark air-cured tobacco that might not be marketed if growers were required to limit sales to their initial allotments. Since producers whose 1934 production exceeded their allotments would probably hold their lowest grades off the market it is believed that a shortage of some export grades might result.

The tobacco section of the Agricultural Adjustment Administration points out that under the ruling it will be profitable for a contracting grower to sell as much as 11 per cent. in excess of his initial allotment of fire-cured or dark air-cured tobacco so long as he receives more than one-third as much, net, per pound for the excess as he received for each pound of the initial allotment. It will be profitable for him to sell an additional 4 per cent., beyond the 11 per cent., if he receives more than one-half as much, net, for each pound of the additional 4 per cent. as he received for each pound of the initial allotment.

Allotments to contracting growers indicate that they will sell not more than 95,000,000 pounds of fire-cured and not more than 22,500,000 pounds of dark air-cured tobacco, including excess sold under the ruling. These growers will receive non-transferable tax-payment warrants which will, in effect, exempt them from payment of the sales tax under the Kerr-Smith Tobacco Act.

Indications are that the sales of non-contracting growers will not exceed 20,000,000 pounds of fire-cured and 7,500,000 pounds of dark air-cured, of which it is estimated that 5,000,000 pounds of fire-cured and 1,500,000 pounds of dark air-cured will be covered by tax-payment warrants issued to non-contracting growers.

It is estimated that total sales of fire-cured will not exceed 115,000,000 pounds and total sales of dark air-cured will not exceed 30,000,000 pounds. The remainder of the 1934 crop of these types will be rendered unmerchantable by growers who signed contracts and whose production exceeded their allotments.

# Processing Taxes and Rental Payments

PROCESSING tax collections under the Agricultural Adjustment Act total $550,081,419 as of November 1, 1934, Chester C. Davis, Administrator, announced today. Benefit payments financed by taxes and paid to farmers to compensate them for co-operation in making adjustments in their production totaled $421,697,389 the same date. The Adjustment Administration made public tables showing total processing tax collections by states from date of levy up to and including October 31, 1934; receipts from the different types of taxes by commodities, a tabulation by states of tax refunds up to October 31st; benefit payments by states, and a tabulation of the percentages of total national population and of national income represented by each state, as approximate indicators of the extent to which taxes are borne by the various states. The tax collection figures are presented as reported by the Bureau of Internal Revenue. Following are the figures for tobacco:

Processing and related taxes collected (gross) to October 31, 1934, by states: Ala., $25,399; Ariz., $2458; Ark., $16,358; Calif., $611,848; Colo., $12,113; Conn., $34,641; Del., $74,986; Fla., $408,191; Ga., $38,317; Hawaii, $7975; Idaho, $3355; Ill., $574,104; Ind., $137,-927; Iowa, $35,010; Kan., $13,068; Ky., $2,372,877; La., $53,195; Me., $10.524; Md., including D. C., $103,431; Mass., $87,571; Mich., $438,048; Minn., $46,895; Miss., $14,885; Mo., $809,995; Mont., $6198; Neb., $12,176; Nev., $6893; N. H., $53,454; N. J., $1,120,359; N. Mex., $3191; N. Y., $5,921,804; N. Car., $7,628,548; N. Dak., $2105; Ohio, $1,558,278; Okla., $15,095; Ore., $10,155; Penn., $1,579,564; R. I., $11,695; S. Car., $33,607; S. Dak., $4226; Tenn., $667,105; Texas, $75,833; Utah, $3343; Vt., $3816; Va., $2,530,379; Wash., including Alaska, $18,244; W. Va., $334,130; Wis., $59,557; Wyo., $2391; total, $27,595,345.

Rental and benefit payments through October 31, 1934, by States: Ala., $1566;Ark., $180; Conn., $299,-640; Fla., $243,269; Ga., $1,470,243; Ill., $267; Ind., $75,045; Kans., $3611; Ky., $2,705,329; Me., $38,288; Mass., $117,355; Minn., $27,864; Mo., $54,632; N. H., $2594; N. Y. $26,820; N. C., $5,590,367; Ohio, $488,225; Penna., $548,038; Puerto R., $1,158,051; S. C., $1,841,-395; Tenn., $662,643; Vt., $2833; Va., $658,227; W. Va., $33,785; Wis., $522,373; total, $16,572,652.

### U. S. VOTES EXTRA DIVIDEND

Directors of the United States Tobacco Company declared an extra dividend of $2.25 a share on the company's no-par common stock, the regular quarterly of $1.25 a share on the same issue, and the regular quarterly disbursement of $1.75 a share on the 7 per cent. preferred stock.

All of the dividends are payable January 2d to stock of record December 17th.

*The Tobacco World*



Cigars are the most pleasurable and economical form of smoking.

# BAYUK BULLETIN

NRA MEMBER U.S. WE DO OUR PART

VOLUME II. DECEMBER 15, 1934 NUMBER 22

## PHULOFAX
*(The Retailer's Friend)*
## SAYS

Said M. R. B., a jobber, in his after-dinner-over-cigars talk — "Maybe it's my nature but one of the most disagreeable jobs is to let out an employee but what gets me is that some employees seem to lack appreciation of their position until AFTER they've lost it."
Ain't it so?

—o—

Here's another contribution from a jobber: "Aside from a salesman's qualifications to sell, I'm guided somewhat by the ability of a salesman to save something out of his salary, irrespective of how little that something may be." Not a bad thought by any means.

—o—

B. B. stands for a lot of things but back of a real salesman's name it should stand for BUSINESS BUILDER.

—o—

Cigars for Christmas! CIgars for Christmas! CIGars for Christmas! CIGArs for Christmas! CIGARs for Christmas! CIGARS for Christmas.

—o—

9 days until Christmas . . . we haven't a day to lose to get all set and ready to go for the BIGGEST and BEST CIGAR CHRISTMAS IN THE HISTORY OF CHRISTMAS

—o—

December 25 is Christmas as usual, and there's many a box of cigars going to be sold for this festive occasion . . . Somebody is going to sell 'em . . . Might just as well be YOU!

—o—

A friend said to your humble columnist: "Say, Phil, can't you talk about any other subject but Cigars?" And Phil said: "Yes, but why should I?"

—o—

"Are more cigars smoked on Sundays than on week days? More in the summer time than in the winter time? More on sun-shiny days than on rainy days?" The answer as supplied to Phil from most authentic source is that "double-breasted coats are more in fashion this year than last year."

—o—

Imagination is a great thing but—when rendering a report to your superior, let it indicate whether it is based on imagination or facts and figures . . . the latter gives the Boss a line on what he wants to know . . . the former a line on the maker of the report.

—o—

Can't help but report that for many reasons this should be a banner Christmas for cigars as gifts BUT we folks on the selling end of it must do our part. Cigars are the most economical and pleasurable form of smoking!

Phil M. Phulofax*
D. B. I.

*Associated with BAYUK CIGARS INC., Philadelphia—Makers of fine cigars since 1897*

# THERE *IS* A SANTA CLAUS!

The only people who don't believe in Santa Claus are the quitters and the "it-can't-be-done" boys. The "up-and-at-em" chap knows there's a Santa Claus, because he's his own personal and private little old St. Nick.

What will you be doing on December 26th, Mr. Dealer — and you, Mr. Salesman? Nursing a hangover — or counting up the returns on the biggest Christmas cigar box-sales of your career?

What do you say if we devote this issue of The Bulletin to some suggestions on bigger and better Christmas sales?

### DON'T BE AFRAID TO BE A "COPY CAT"

The department stores have forgotten more about the attractive and compelling display of goods, than most of us will ever know. Why not get around and see what *they* are doing to stimulate trade? Maybe you can pick up some good ideas for your own store. Remember Bill Shakespeare. He never bothered to make up his own stories. He took the other fellow's and improved on them.

### DON'T FORGET THE LADIES

Women don't smoke cigars — *yet.* But they certainly do buy a lot of 'em, especially around Christmas.

Every woman who comes into your store for a pack of cigarettes or a two-cent stamp is a perfectly good prospect for a box (or maybe several boxes) of cigars. Now is the time to begin showing your feminine customers some of those boxes with the fussy Christmas wrappers. If you want to lay in some inexpensive but attractive greeting cards to go on the boxes, that won't do any harm either.

### A CHRISTMAS LETTER TO THE BOSS

How many business organizations are there in your town, employing half a dozen to half a thousand men? Each one of these outfits is a swell prospect for Christmas cigars.

Why not find out the name of the big chief in each aggregation and write him a letter suggesting that there is no more graceful and acceptable gift to his male employees than a box of good cigars? Tell him some of the brands you carry in special holiday wrappers.

Then if you don't hear from him promptly, follow up with a phone call or a personal visit. Will it work? Man, it *has* worked in numberless instances.

### HOW ABOUT THOSE HOLIDAY DISPLAYS?

Remember, folks are doing their Christmas shopping earlier and earlier —especially the womenfolk. The first cigar merchant in the neighborhood to get up his holiday window and counter displays is the one most likely to skim the cream of the business. Why not be the early bird in your bailiwick?

### ONE DEALER DOES IT THIS WAY

One progressive merchant we know, prints up a lot of cards, about the size of post cards. On one side is a list of his leading cigar brands with prices. On the other side is an order blank:

Please send to
*(Name and Address)*.....
*(Brand and Quantity)*.....
*(Deliver on following date)*.....

Enclose card with box with my name as the giver.

*(Signed)* .....

He hands out these cards to customers who come in, and encloses one in every package that leaves his store. It's a great system with those people who like to do their Christmas giving easily and painlessly.

### WRITE THE FOLKS

How many of your customers do you know by name, along with their cigar preferences? Lots of 'em? Good! Then why not, a nice friendly letter to their wives along this line:

"I know Mr. Jones smokes Usmokem cigars. We have Usmokems in attractive Christmas wrappers at such and such a price. Wouldn't you like to surprise him with a box for Christmas? We will be glad to deliver them, etc., etc."

You get the idea.

### SELL HIM A "CHRISTMAS SELECTION"

I know each of my customers pretty well (says a veteran salesman) and I can come pretty close to estimating how many Christmas cigars he can sell. So, for each customer I work out a Christmas selection—so many boxes of this, so many of that, according to his needs.

When I call on him I don't talk hundreds or thousands, I talk about a single unit that I have worked out specially for him. I give him a chance to say "yes" to a single unit rather than a series of "nos" to a conglomeration of items.

If you don't think that a buyer unconsciously likes to have somebody help him make up his mind, you've got another think coming. When you go into a haberdasher's to buy a hat, do you like the salesman who makes helpful suggestions—or do you prefer the one whose attitude says: "Go ahead and do your own selecting. It's your funeral, not mine"?

BAYUK BRANDS BUILD BUSINESS
**Bayuk 'Phillies'**
(BAYUK PHILADELPHIA PERFECTO)
**Havana Ribbon**
**Mapacuba**
**Charles Thomson**
**Prince Hamlet**

***If You Want To Sell Christmas Cigars—Display Christmas Cigars***

# Burley Grow May Exceed Allotments 10%

BURLEY tobacco growers who have signed adjustment contracts are permitted to sell tobacco in addition to their initial production allotments in amounts not to exceed 10 per cent. of their allotments, provided they agree to a reduction in the rate of the second adjustment payment, J. B. Hutson, chief of the tobacco section of the Agricultural Adjustment Administration, announced today. Contract signers are required to render unmerchantable any tobacco produced in excess of their production allotment unless it is sold under this administrative ruling.

The allotment cards issued by the offices of County Agents have been issued on the basis of the initial production allotments. However, field agents have been instructed to issue tax-payment warrants under these cards covering a quantity of tobacco not exceeding 10 per cent. in excess of the quantity shown on the allotment cards.

The reductions in the rates of the adjustment payment are such that before it will be profitable for a contracting grower to sell 6 per cent. in excess of his allotment, he must receive approximately half as much, net per pound, for each pound of the excess as he received for each pound of the original allotment. In order for it to be profitable for him to sell an additional 4 per cent., bringing his sales to a total of 10 per cent. above his allotment, it will be necessary for him to receive more than three-fourths as much for each pound of this excess as he received for each pound of the original allotment. In effect, this means that relatively few growers will find it advantageous to plan to sell tobacco in excess of their allotments.

The administrative ruling will facilitate the marketing of the crop, since it is difficult for many growers to determine exactly the weight of the tobacco at the time it is taken from the farm to the market. Growers with production greatly in excess of their allotments who have tobacco which is of good quality may find it advantageous to exceed their allotments by as much as 6 per cent., and some cases as much as 10 per cent.

A tabulation of the allotments to contracting growers indicates that they will sell not exceeding 200 million pounds of Burley during the current marketing season. These growers will receive non-transferable tax-payment warrants which will, in effect, exempt them from the payment of the tax under the Kerr-Smith Tobacco Act.

Present indications are that the sales of non-contracting growers will not exceed 50 million pounds, of which it is estimated that 10 million pounds will be covered by tax-payment warrants issued to non-contracting growers.

Total sales of all Burley growers are not expected to exceed 250 million pounds. The remainder, which will be rendered unmerchantable, will consist chiefly of the lower grades of the crops of growers who signed contracts and whose production exceeds their allotments. World consumption of Burley is estimated at approximately 290 million pounds for the current marketing year.

# Prices for Burley 40% Higher

BURLEY tobacco prices on the opening of the market were about 40 per cent. higher than the season's average for similar grades of the 1933 crop, according to the Bureau of Agricultural Economics, U. S. Department of Agriculture. The bureau's specialist in tobacco grading in the Burley district reports on the following grades: Lugs, C2F opened at an average of $28.80 per cwt., compared with a season average during the last market of $23; C3F, $25.30 compared with $19.50 last year; Flyings, X3L, $23.50 compare with $17.50; X3F $22.80 compared with $16.20; X4F $16.60 compared with $12.30; Leaf grades, B3F, $21 compared with $14.70; B4F $16.60 compared with $10.80; Tips, B4RT $8.20 compared with $4; B5FT $5.90 compared with $2.70.

The sales reported were at Lexington, Kentucky. Beginning Wednesday, December 5, grading service will be inaugurated at Knoxville, Tenn., at which market the warehousemen have taken steps to provide the service without cost to the growers.

# Kerr-Smith Referendum Extended

The Agricultural Adjustment Administration has announced that votes on continuation of the Kerr-Smith Tobacco Act will be received as late as December 20. Previously, December 15 had been fixed as the final date on which votes would be received. The five-day extension was made in order to allow more time for distribution of ballots and to make certain that all eligible persons have sufficient time in which to vote. The exact date for opening the referendum in each county is being specified by the county agent. Ballots for voting are now en route to county agents' offices.

Persons who own, rent, share-crop or control land customarily engaged in the production of flue-cured, Burley, fire-cured and dark air-cured tobacco are eligible to vote. Persons who own, rent, share-crop or control three-fourths of the land for each type of tobacco must favor continuance of the Kerr-Smith Tobacco Act in order for it to be made effective for that type during the 1935 season.

**Brown & Williamson** products are designed to bring you the most profit in all lines and prices. Are you getting your share of profit from these live selling items: **Kool**, the largest-selling 15-cent mentholated cigarette; **Raleigh**, now selling at the price of ordinary cigarettes; **Wings**, the popular quality 10-cent cigarette; **Sir Walter Raleigh** Smoking Tobacco, 15 cents and famous for its mildness; **Target**, a genuine blended cigarette tobacco for 10 cents; **Dial** Smoking Tobacco, a smoother blend of Burleys for a dime; **Bugler**, a blended cigarette tobacco for a nickel; and **Golden Grain**, the big 5-cent bag of roll-your-own.

# Secretary Reports on Tobacco

CONSIDERABLE progress was made during the year in adjusting the supply of the various kinds of tobacco to the demand and in improving the income of tobacco growers. Approximately 275,000 growers in the United States and 10,500 in Puerto Rico entered into adjustment contracts in 1934, under which production was reduced about 30 per cent. The United States crop of approximately 1,000,000,000 pounds in 1934 is about as much below the level of world consumption of this tobacco as the 1933 crop was above that level.

Six marketing agreements were negotiated for the principal kinds of tobacco grown in the United States. Under these agreements domestic buyers agreed to pay higher prices for their purchases from the 1933 crop on the basis of reductions to be made in the 1934 crop. The quantity of tobacco purchased under these agreements aggregated 633,000,000 pounds, which was nearly half the total production in 1933. It is estimated that the tobacco program increased the market receipts from the 1933 crop by approximately $50,000,000 above what they would otherwise have been. In addition $28,000,000 was paid to tobacco growers in the form of rental and benefit payments.

Altogether growers received approximately $207,000,000 from tobacco during the current marketing year, compared with $107,000,000 during the preceding marketing year. This total income is close to what tobacco growers received for their 1930 crop, and is only slightly below the average for the last ten years. Prices of tobacco in Puerto Rico increased about 40 per cent. after the adjustment program was started.

At the beginning of the marketing year for the 1933 crop there was in the United States a surplus of 900,000,000 pounds of all types of tobacco above the carry-over which would be considered normal for the rate of consumption then prevailing. The production-adjustment programs were undertaken to relieve the market of this surplus. Extreme differences in the conditions of production, market outlets, and prices, and the highly specialized nature of the problems involved, necessitated separate contracts for eleven different kinds of tobacco.

*From the 1934 Report of the Secretary of Agriculture, released December 12.*

# Resolution on Harry Buckley's Death

THE FOLLOWING resolution was adopted by the Cigar Container Code Authority at its meeting on December 7, 1934, on the death of Harry W. Buckley, former president of the Auto-kraft Box Corporation, president of the National Cigar Box Manufacturers Association, and member of the Cigar Container Code Authority. Mr. Buckley died on November 8th as the result of an automobile accident.

To the chairman, and the members of the Cigar Container Code Authority, the death of their esteemed fellow member, Harry William Buckley, comes as a deep sorrow.

He was a member of the Code Authority from the time of its inception, and had been a member of the committee which drafted and prepared the Code. His interest in the industry, and his ripe business judgment were highly valued.

At a time in the history of the country when there was a particular demand that self should be subordinated to the interests of the common good, Harry Buckley, by his advice and by the strength of the organization which he represented, stood in the preparation of the Code and its subsequent execution for that which was for the good of the industry at large, rather than for individual aggrandizement.

His easy good humor and unfailing courtesy made him a delightful companion upon all occasions, and beloved by every man in the industry. A man of singular charm and appeal to his many friends, he lived a life of great usefulness and of fine purpose, and to them his place cannot be filled. There are some lines of the immortal dramatist often quoted on occasions like this, sometimes perfunctorily, and frequently with little aptness, but we can surely say of our departed friend that

"His life was gentle, and the elements
So mixed in him that nature might stand up
And say to all the world, 'this was a man.'"

# Growers' Demonstrate Value Agreements

DURING the 1933-34 marketing season, seven marketing agreements were in effect for tobacco. Of these, five applied to the so-called Southern types of tobacco, which constitute more than 85 per cent. of the total production in the United States. These marketing agreements were designed to secure higher prices for the 1933 crops by capitalizing on the action of growers in agreeing to reduce acreage in 1934. It is estimated that the launching of the adjustment program, together with the operation of the marketing agreements, resulted in an increase of approximately 50 million dollars, or around 35 per cent. above the previous year, in the amount received by tobacco farmers for the 1933 crop. Only one of the seven tobacco agreements has been continued in effect, but there is little doubt that the agreements demonstrated their value to tobacco growers in the last year.—From an address by H. R. Tolley, Assistant Administrator, Agricultural Adjustment Administration, before the American Farm Bureau Federation, at Nashville, Tenn., December 11th.



## AMERICAN TOBACCO AT BREMEN

NEW transactions in American tobacco in the Bremen market were few during October, 1934, due to the restrictions on the importation of tobacco, which for the present is practically a prohibition. As reported by American Consul W. A. Leonard, and made public by the Tobacco Division, Department of Commerce, the comparatively large arrivals constituted consignments to Bremen importers for sale to other European countries or to be held in free port warehouses pending the entry of this tobacco into Germany.

The market for Bright Virginia during October continued to be quiet. Local importers state that there were practically no sales to German manufacturers. It is stated that prices have reached such a high level that even offers in German marks were rejected by the manufacturers. Some quantities are reported to have been sold to manufacturers in other European countries, but it is stated that those manufacturers consider prices prohibitive, and that if the present price level was maintained they would be compelled to look for substitutes. It is stated that although the dollar is devaluated only 40 per cent., the prices for Bright Virginia tobacco show an increase of more than 100 per cent.

There were no transactions in Dark Virginia between importers and German manufacturers during the month. Local importers state that some small quantities were disposed of to other European countries. The market for Dark Kentucky continued quiet. Reports indicate that the large German manufacturers have enough tobacco on hand to enable them to disregard the next two crops. Local importers report that the Tobacco Research Institute at Forchheim is carrying out experiments with a view of cultivating and growing Dark Kentucky grades in Germany.

The market for Burley, Maryland, and Ohio continued quiet. Local importers report that the shipments of Maryland during October constituted deliveries on sales to other European countries. One Sucker and Green River continued quiet during the month. It is stated that no transactions occurred in these grades. Seedleaf transactions were restricted to available local stocks, of which fifty cases are reported to have been sold. Activity in American tobacco stems showed an increase when compared with the immediate preceding month of September 1934.

The local trade expects the present prohibition of imports to continue until the recently established Tobacco Control Board has completed its investigations of stocks on hand in Germany. After obtaining an inventory, the requirements of the German tobacco industry will be taken into consideration relative thereto. Normally, there is a good demand for American tobacco, but the future prospects of actual sales will depend on local conditions and the restrictive measures taken by the Board. The restrictions, as previously reported, are justified by the lack of foreign exchange with which to pay American exporters. Imports of American tobacco at the free port of Bremen, Germany, during the month of October, 1934, totaled 970 hogsheads of leaf and 385 metric tons of stems, compared with October, 1933, imports of 1170 hogsheads of leaf and 177 metric tons of stems. October, 1934, leaf imports consisted of Kentucky-Tennessee 545, Virginia 350, Maryland 74, and Burley 1.

## BRITISH MARKET FOR AMERICAN TOBACCO

THE feature of the British tobacco market in October was the huge expansion in imports of unmanufactured tobacco from the United States, the quantity rising to 42,450,000 pounds, compared with 17,780,000 pounds in the same month last year. Considerable inquiry was experienced for old crop Virginias lying in England, but very little tobacco was available.

According to the monthly tobacco report by Alfred Nutting, Clerk, American Consulate General, London, total imports amounted to 28,529 hogsheads during October, against 3345 hogsheads a year ago, and comprised 25,343 Virginia Leaf (contrasted with 2603); 3176 Virginia strips (298); and 10 Western leaf (49). Last year there were also 395 hogsheads of Western strips. For the period January to October 1934, imports rose to 91,411 hogsheads, compared with 73,056 hogsheads in 1933, and comprised 77,205 Virginia leaf (against 64,731), 12,026 Virginia strips (4366), 1110 Western leaf (1660), 1055 Western strips (2299), and 15 Maryland, etc. (nil).

Deliveries during October reached 9165 hogsheads, namely, 7499 Virginia leaf, 1267 Virginia strips, 187 Western leaf, 210 Western strips, and 2 Maryland, etc.; in the same month of 1933, deliveries totaled 8624 hogsheads, consisting of 7003 Virginia leaf, 1127 Virginia strips, 250 Western leaf, 244 Western strips, and no Maryland, etc. Deliveries in the ten months amounted to 96,722 hogsheads and consisted of 79,797 Virginia leaf, 12,593 Virginia strips, 2144 Western leaf, 2166 Western strips, and 22 Maryland, etc.

## TO DEFER TAX LEGISLATION

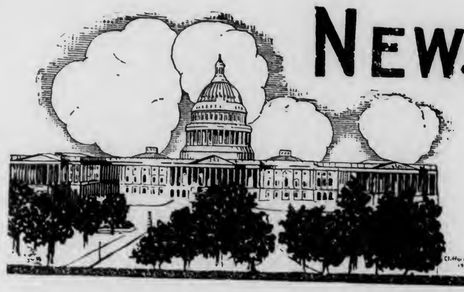
NO TAX legislation will be asked of Congress until Administration officials have a definite indication of the amount which will be required for relief and recovery purposes during the next year. The annual budget now being prepared is expected to go to Congress at the opening of the session in January with many blanks in items relating to the recovery program. The actual amounts to be asked for these purposes will be submitted later, as surveys develop the needs of the New Deal agencies.

It is considered probable in Washington that any new tax legislation which the administration desires will not come up in Congress until after the session is well under way.

Estimates of the total which will be needed by the Government for relief purposes during the coming year vary widely, but are conservatively placed at something more than a billion dollars.

## BIG GREEK SALE TO AMERICAN COMPANY

A total of 35,520 bales of Greek manipulated leaf tobacco of crops prior to 1933 were sold to an American company in September. The transaction involved 383,055 pounds of Xanthi tobacco and 786,253 pounds of Cavalla tobacco. The deal was handled through the Salonika Tobacco Sales Commission, a new quasi-governmental body responsible for disposing of surplus stocks. The sale required the approval of the Ministerial Council, which was given on October 9th and published in the *Official Gazette* for October 10, 1934.—*American Commercial Attache K. L. Rankin.*



# NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

CONTINUATION of Government fixing of hours and wages may bring about a demand from manufacturers that the Government also determine the "fair return" upon its investment to which an industry is entitled.

The steadily increasing demands of labor, if supported by the Administration, it is declared by business executives, will impose an unbearable burden upon industry, particularly if the Administration goes through with its plan for the stabilization of employment by providing an annual, rather than an hourly wage.

Labor, on the other hand, has charged the industrialists with attempting to set up a smoke screen by depleting their resources through dividend payments and transfers of earnings to inoperative funds, such as depreciation and depletion accounts, and then claiming code requirements are responsible for their "poverty".

As a solution of the difficulty, it has been proposed that the Government should determine the fair return for various industries, as it does for public utilities, and thereon predicate the wages to be paid workers. Unless action of some such nature is taken, it has been hinted, many manufacturers, weary of fighting the handicaps imposed by depression, labor and the NRA, will seriously consider closing their plants and thereby nullifying the gains in employment which have thus far been made.

RETAIL sales for 1934 are expected to reach a total of some $28,000,000,000, a gain of $3,000,000,000 over last year's $25,037,225,000, as a result of advances in general business disclosed by reports now reaching the Department of Commerce.

The forecast of a heavy gain in retail business was made by Assistant Secretary of Commerce John Dickinson upon publication of the 1933 figures by the United States Census Bureau. The bureau's report showed a total of 1,526,119 retail establishments throughout the country in 1933, employing an average of 2,703,325 full-time and 730,327 part-time employees, with a total payroll of $2,910,445,000.

As compared with 1929, retail sales showed a dollar decline of 49 per cent., but officials of the bureau refused to attempt any estimate as to how much of this was due to lower prices as compared with actual loss of volume. In the food industry, it was pointed out, the price decline was nearly as great as the decline in dollar sales, indicating that there was little, if any, change in actual volume, but no similar information is available for other branches of trade.

Such data as have been secured, however, it was said, indicate that the loss in volume was much less than would be suggested by the drop in total value in those lines classed as necessities, although in the luxury class it was admitted the loss was probably very heavy.

ALLEGING unfair competition in the sale of pipes, the Federal Trade Commission on December 11 issued a complaint against the Briarwood Corporation, Cleveland, charging misrepresentation in advertising.

The commission alleges that the company's advertising tended to mislead pipe smokers into believing that when they purchased its pipes they were buying genuine briar-root products made from the natural root, when in fact they were purchasing a fabricated product made from briar-root dust with a vegetable binder.

The commission has allowed until January 11 for the respondent to show cause why an order should not be issued to cease and desist from the practice alleged.

A THOROUGH investigation of the activities of agents of the Internal Revenue Bureau has been ordered by the Secretary of the Treasury Morgenthau as a result of the disclosure that Government employees had approached business men with offers to "fix" tax controversies.

While officials of the bureau claim that the case reported to them was but an isolated instance, experts are going over a number of closed cases with a view to determining whether any widespread irregularities have been practiced.

If the investigation discloses that there has been "racketeering" on the part of Federal agents, it is promised, criminal prosecutions will be brought.

It is believed that the agents involved in the case now before the Treasury had merely secured advance information that accounts were to be settled in favor of taxpayers before they approached them with offers, for a fee, to "fix" the cases.

However, if the study of any closed cases reveals that fraud was practiced, they will be reopened, a step which the Treasury is authorized to take regardless of any statute of limitations.



## PROCESSING TAX FACTORS

By Howard S. Cullman

IT WAS and has been my understanding that the processing tax was adopted on cigar leaf types of tobacco due to the differential in the price the American farmer received for his product and a fair average return over a given number of years, as estimated by the Agricultural Department. The American farmer is dependent on the law of supply and demand, the same as any other merchant or dealer in any commodity. If surplus stocks have been substantially reduced in cigar leaf tobacco growing States, it would seem to me quite reasonable to anticipate that there will be a diminishing and limited surplus of distress tobacco affecting general market conditions.

In certain States, notably Connecticut, where supply and demand has to a certain extent equalized itself, you will note that prices paid by the American farmer at present probably are above the index figures of a fair average return which was used as a guide by the Agricultural Department. In certain other States, notably Wisconsin, where there are still large surplus supplies on hand (which tobacco, however, is not fit for cigar manufacturing purposes, but suitable for scrap-chewing purposes), prices are still depressed to the American farmer. In other words, it would seem to me that no intelligent program can be adopted regarding the reduction or the elimination of the processing tax without having the factors as to the farmer's return on his labors, as well as the available stocks which vitally affect him, guide you in such decision as you deem proper and appropriate.

With the possible exception of the State of Wisconsin, from reliable information, I am convinced that surplus stocks are approximately normal and in many instances below normal. This is due to a slight increase in cigar consumption, as well as to the program of the Agricultural Adjustment Administration that has vitally decreased acreage and is the primary agency which must get full credit for restoring the balance of supply and demand to this present situation.

## FUTURE OF CODES

A RISING tide of criticism of industrial codes may make difficult the enactment by Congress of legislation perpetuating the National Recovery Administration.

The first anniversaries of many of the codes, now being reached, have been marked by bitter complaint from industrialists that restrictive provisions have nullified any good which might have come out of the regimentation of industry.

Few business executives have been found satisfied and the congratulatory statements which have been made as to the effect of the codes have come from code authority officials and NRA men, both of which groups have a definite interest in protecting their jobs.

The rising tide of critics, together with a decision of the United States Supreme Court, probably to be rendered next month, on the first case involving codes to come before it—revolving around the oil code—may have a material effect on the future of the NRA. Questions by the justices during the Supreme Court hearing developed that Executive Orders and code regulations have been developed in an extremely casual manner and that in many instances no provision was made for hearing the side of persons accused of violations.

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|---|---|---|
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Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

### REGISTRATIONS

THYRO-TIP:—46,390. For cigarettes. Humath Co., Inc., New York, N. Y., November 19, 1934.

LA RENCE HALL:—46,391. For cigars. Anton Sobor, Astoria, L. I., December 6, 1934.

### TRANSFERRED

CUBAN CREST:—31,434 (U. S. Tobacco Journal). For cigars, cigarettes and tobacco. Registered March 3, 1906, by Louis E. Neuman & Co., New York, N. Y. Through mesne transfers acquired by Nalco, Inc., New York, N. Y., and re-transferred to Garcia Grande Cigars, Inc., New York, N. Y., November 27, 1934.

### BROGAN HEADS Y. & McD.

Paul Brogan has been elected president of Yahn & McDonnell, succeeding M. J. McDonnell, who resigned to return to business under his own name, as reported in the last issue of THE TOBACCO WORLD. Mr. Brogan has long been recognized as one of the leaders in the industry in this territory, and his election as the active head of the company means a continuance of the modern merchandising and promotional methods which have created the enviable reputation enjoyed by the house of Yahn & McDonnell in the Philadelphia district. Another personnel change was the election of J. H. Matchett as a member of the board of directors in Mr. McDonnell's vacated place.

Briggs smoking tobacco (P. Lorillard Co.) is enjoying a most enviable demand in this city at this time. The brand is distributed through Yahn & McDonnell, and they report sales far in excess of the 1933 period in both the popular 16 oz. wooden keg and the 8 oz. tin.

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